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Trip of the President to Santiago Chile for the Summit of the Americas, April 15-20, 1998: Press Clips [1]

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THE AMERICAS

The road from Santiago

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SAO PAULO

The second "summit of the Americas" opens in Chile next week. It will give formal approval to negotiations intended to lead to free trade from Alaska to Cape Horn. But that project needs broader political support

WHEN in December 1994 Bill Clinton welcomed to Miami the leaders of 33 other countries in the Americas, their meeting was widely seen as the start of a new chapter in the often troubled relations between the United States and Latin America. With the cold war over, elected governments in power everywhere except (uninvited) Cuba, and with market reforms and freer trade supplanting statist protectionism, many old sources of tension seemed to have been replaced by shared ideas and new opportunities for co-operation.

Chief among these was the notion, mooted earlier by President George Bush in 1990, of a "free-trade area of the Americas" (FTAA), stretching from Alaska to Cape Horn. In Miami, Latin America's leaders embraced the idea with surprising enthusiasm. A target date of 2005 was set for its achievement, with "concrete progress" to be made by 2000. Alongside this, the 34 summitters put their names to a long list of collective virtue, 150 "action items" concerned with topics ranging from health services through women's rights to the environment.

On April 18th and 19th in the Chilean capital, Santiago, the 34 countries' leaders meet again. They will formally launch the FTAA negotiations. After three years of hard talking, at a final preparatory meeting in Costa Rica last month their trade ministers agreed to a detailed agenda of what to negotiate, how, where and when. Their ambitious dream might seem, at first glance, to be steadily becoming a reality.

True, the FTAA concept faces criticism. Some economists argue that regional preferences divert more trade than they create. Some Latin Americans fear that the cost of adjusting to free trade with the world's most powerful economy will far outweigh the benefits, especially in smaller and less developed countries. Trade unions in the

United States express the opposite fear, foreseeing a flight of jobs to lower-wage countries farther south.

Yet Latin American governments have concluded that they do want an FTAA. Such studies as exist suggest that guaranteed access to the United States market would add to growth both by boosting exports, especially of manufactures, and by attracting ex-



tra foreign investment. And if an FTAA comes to be, no country can afford to be left out. The United States can foresee corresponding benefits, as faster growth to its south boosts demand for its exports. Already, Latin American countries' unilateral lowering of trade barriers has made the region the United States' fastest-growing foreign market. Last year, Mexico overtook Ja-

pan to become the second-largest importer of United States goods, after Canada. The FTAA has a geopolitical attraction too: it would lock in free-marketism as the way of life throughout the Americas.

Nor will trade be the only, or even the first, item on the Santiago agenda. The summit will discuss democracy, education and poverty; and, not least, drugs. Latin Americans resent the United States' practice of unilaterally "certifying"—or decertifying—other countries as dependable allies in the war against drugs. Mr Clinton cannot just abandon this: it is enshrined in American law. But Santiago may be a first step toward parallel, multilateral monitoring of efforts to curb not just the (Latin American) supply of drugs, but the (United States) demand for them. And the assembled leaders may agree to make their summits regular, perhaps three-yearly, affairs. In sum, here, says

Jose Miguel Insulza, Chile's foreign minister, is "a mature partnership."

A smoggy prospect

Yet a sense of anti-climax will hang as thickly in the air as the Santiago smog. One reason is simply that this is the second time round: Miami was a giant step, the first pan-American summit since an ineffectual affair 27 years earlier whose main, American-inspired aim was to isolate Cuba. And whereas the Miami invitations came from the leader of the world's superpower, Santiago has been arranged by a 34-country group, more democratic but more routine. The big reason, however, is a widespread feeling that the United States has again lost interest in Latin America, and that its policies in the region—whether on trade, drugs or Cuba—are being driven by domestic politics, not broad, strategic vision.

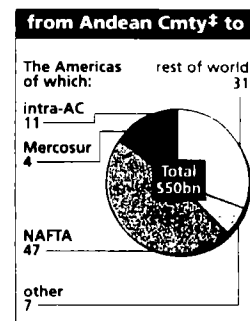
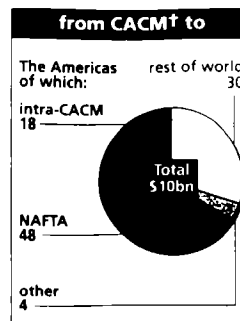
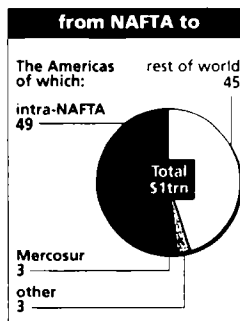
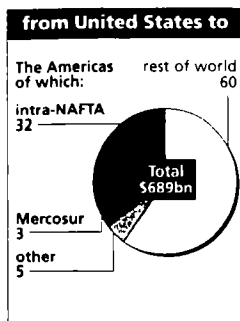
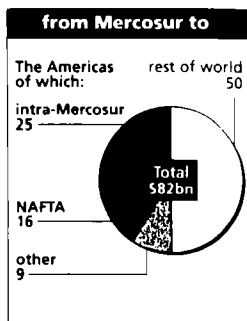
That disillusionment has been crystallised by Mr Clinton's failure to win fast-track trade-negotiating authority from Congress. It was this that scuppered the American pledge made to Chile in 1994 that the first step toward free trade would be Chile's admission to the (then new)

NAFTA accord linking the United States with Canada and Mexico. Not till last year did the Clinton administration even put forward a fast-track bill—only to withdraw it last November, rather than risk its defeat.

Without fast-track, some say, the whole FTAA exercise may be futile. The United States has had years of solid growth. Unemployment is low, the trade deficit small. If

Selling to each other

% of total 1997 exports*



Sources: IDB; US Department of Commerce

*Estimated, except from US †Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua ‡Bolivia, Colombia, Ecuador, Peru, Venezuela

Mr Clinton cannot get his way on trade now, these sceptics ask, when can he? And of all imaginable trade deals, the American public is especially hostile to Latin American ones, thanks to its experience with NAFTA—or, more accurately, to what it has heard of NAFTA and the way the administration sold that deal politically, simply as a matter of extra exports and jobs.

Less than a year after NAFTA came into force, and eight days after the Miami summit, Mexico's currency began to collapse. The United States not merely had to stump up billions (promptly repaid, but who remembers that?) to save its neighbour, but saw its 1994 trade surplus with Mexico of \$5 billion become a deficit of \$13 billion in each of the next two years. To the unions, increasingly influential backers of Mr Clinton's Democratic Party, this proved the folly of opening doors to low-wage economies. And to widen the grief, with Mexican goods came Mexican migrants and drugs.

Latin America too is wobbling in its commitment to free trade, partly because Asia's troubles have tightened both capital and export markets. In November Mercosur, the incipient customs union linking Argentina, Brazil, Paraguay and Uruguay, raised its common external tariff, which averaged around 12%, by three percentage points. This year Brazil has revived a few bad habits, demanding import licences for some goods and scrutinising invoices with punitive care. Even Chile, the region's paragon of open trade, which planned to cut its flat tariff from 11% to 8%, has not done so.

Slow track, no track?

So is the FTAA doomed? Not yet. Official and ministerial effort has been sunk into the project. The preparatory talks have given it some momentum. Whatever the doubts, no country has shown itself ready to abandon the project. And though Latin Americans are sceptical of negotiating with a president who lacks fast-track authority, it is, after all, at the end, not the start, of talks that that authority is required.

Ironically, the lack of fast-track may have eased the launch of talks, by blunting

American ideas of speeding them up. Brazil wants plenty of time to modernise its economy before embarking on open trade with the United States. To the Americans—and Central Americans hurt by exclusion from NAFTA while Mexico is inside—that smacks of protectionist foot-dragging. But Brazil, the third-largest economy in the Americas, could not easily have been overridden.

By weakening the United States' negotiating position, lack of fast-track has also changed the shape of the talks. These will be no series of bilateral exercises, with Latin American countries competing against each other to join the queue for accession to NAFTA, as the Americans envisaged in Miami. Instead, in Costa Rica, the 34 countries agreed to a multilateral process. Different countries will preside over the nine negotiating groups (covering matters such as investment, services, competition policy and subsidies, as well as market access). The talks will start in Miami in June, moving in 2001 to Panama city and in 2003 to Mexico city. Canada will be the first chairman, then Argentina, Ecuador and, during the last two years (to the end of 2004), when the crucial deals will have to be cut, Brazil and the United States jointly.

But will the United States still be interested? Instead of the "early harvest" of tariff cuts that it wanted by 2000, the negotiators will merely seek "business facilitation" steps by that date, such as standardised customs forms. If Mr Clinton fails to win fast-track before his presidency ends in January 2001, the talks may slide into the dust.

Even if the talks go well, to push them to a deal, and then to win legislative approval, will require governments—and not just in Washington—to show political courage. Although it would be phased in slowly, probably over 15 years after 2005, the FTAA would offend powerful domestic lobbies.

It would demand demolition of the solid tariff walls still encircling Latin American countries. Tariffs there, though much lower than a decade ago, still average around 15%, and more than that on some significant products in some big countries; Brazil levies 29% on computers, and up to

49% on cars, for example.

The United States' tariffs are lower; less than a fifth of Latin American exports there pay more than 5%. But many of the most competitive products face special duties or non-tariff barriers. Brazil's trade officials say barriers to its steel, orange juice, sugar, tobacco, footwear and other exports cost it up to \$5 billion a year; hence its resistance to the American desire for early tariff cuts in isolation from an over-arching agreement on issues such as anti-dumping, dispute-settlement and subsidies. In an FTAA, the United States would have to slash at its protection of textiles, clothing and farm products. Some action on textiles is due anyway, under the GATT's Uruguay round. If new world trade talks looked likely to open agricultural markets (notably Europe's), to do that for Latin America would look less alarming. But, north and south alike, there would be cries of pain and rage.

Open or shut

With or without an FTAA, the pace of regional trade and integration in Latin America is likely to remain swift. The 1990s have seen the rise of dynamic sub-regional groupings, and of growing links between them. Last year, trade within Mercosur, for example, grew by 25% to \$20 billion; in 1990 it was \$4 billion. The Andean Community (Bolivia, Peru, Ecuador, Colombia and Venezuela) recorded a double-digit rise in intra-group trade. So did the Central American Common Market (Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica). Caricom, the 15-country Caribbean common market (notably, Jamaica, Trinidad, Guyana, Suriname, Belize—and soon, probably, the Dominican Republic, bigger than any of these) is something of an odd man out: its real ambition is the "NAFTA parity" promised last year by Mr Clinton, and again this week by Madeleine Albright, but stalled in Congress.

Mercosur already has a free-trade agreement with Chile. It has one with Bolivia, and is talking with the other Andean countries. This web of accords will complicate the FTAA negotiations, especially in the ef-

fort to mesh differing rules of origin. But so far most of these deals, on balance, have opened doors rather than closed them.

While Mercosur consolidates, and pulls much of South America into its orbit, its policymakers are studying other options besides the FTAA. They have completed a preliminary, fact-finding study with the European Union, and negotiations aiming at a Mercosur-EU free-trade deal may be launched at a first-ever summit of Latin American and EU heads of government in Rio de Janeiro next year.

These talks might be harder than those on the FTAA, because of the EU's farm protectionism. But the potential pay-off for Mercosur is attractive: a study by Brazil's Getulio Vargas Foundation suggests that a deal with the EU would add more to growth in both Brazil and Argentina than would an FTAA. Whereas the rest of Latin America looks to the United States, the EU, taken as a whole, has long been Mercosur's biggest trading partner, and in 1996 displaced the United States as its largest source of foreign investment, according to calculations by IRELA, a Madrid-based think-tank.

This suggests two possible outcomes after Santiago. One is that the FTAA talks gather momentum, stimulated partly by parallel negotiations between Mercosur and the EU. A gloomier one is that, in the absence of fast-track, and of a business push for an FTAA, the talks drift nowhere. In that case, a relatively closed Mercosur (probably with Chile) might in the end go its own way, while the Andean countries, Central America and the Caribbean try to boost trade among themselves while still looking hopefully—and mainly—to NAFTA and, above all, its heart, the United States.

Colombia

Herbicides versus market forces

BOGOTA

FOR the past four years, Colombia's anti-drugs police, backed by the United States, have tried to eradicate coca-growing in its southern jungles. Light aircraft and helicopters have dodged guerrilla bullets to spray nearly 90,000 hectares (350 square miles) of plantations. The result? In 1994 Colombians grew an estimated 45,000 hectares of coca; last year 80,000.

Critics are not surprised. As demand persists, so will supply. Growers simply plant more, to meet the risk—and if, even so, all of one farmer's crop is sprayed, that just means one more Colombian facing poverty and tempted to escape it by joining the local guerrillas. That is what you would expect, and, says a study from the National

Old Bolivian customs

LA PAZ

FREE trade, it's wonderful—but not easy when, like Bolivia's, much of your land is mountainside and many of your roads, where they exist, a succession of pot-holes. A learned professor from Harvard has indeed cited these obstacles to trade among the reasons for the country's modest record of economic growth. Perhaps Jeffrey Sachs, for it was he, should have a talk with the typical Bolivian smuggler.

The lack of paved roads has not hindered the spirit of illicit private enterprise. Far from it. In 1996, say the official figures, based on customs reporting, Bolivia's imports from Argentina, Brazil, Chile and Peru totalled \$517m. Those countries' export statistics say rather more: \$1.1 billion. Bolivia's National Chamber of Commerce reckons that, between them, uncollected import duties and value-added taxes in 1997 cost the government nearly \$450m.

The plus side for poor Bolivians is that every large town has a well-established black market. Contraband makes it possible for many workers, often earning well under \$200 a month, to buy electronic and other consumer goods that would otherwise be out of reach. The illicit trade also provides a far broader range of consumer choice than the country's small formal market would support.

Landlocked at the heart of the continent, Bolivia shares borders with hinterland regions of five countries. Its frontier areas are largely wild and barely inhabited stretches of desert and jungle. Can this wilderness be brought to order?

The simplest solution—and it has been put forward—would be just to abolish tariffs. Privatisation of the customs service has been suggested. Another idea is to call in the army. An IMF mission that recently visited the country agreed that its borders were "unpoliceable". Still, an IMF report expected shortly will propose an investment of \$10m-15m in overhauling the customs service and reducing tax evasion.

Wholesale privatisation is not on the agenda. Even the head of the IMF team, Patricio Castro, admits that customs is not one of the tasks the state can delegate (though Mozambique, he says, has done it). The trouble is that successive governments have paid lip service to the idea of customs reform, but little more. Even the customs laws date from 1929.

President Hugo Banzer, the former dictator democratically elected last year, may do better. He has declared war on

customs corruption. He invited the IMF to look at the issue, and has formed a National Customs Council, with a wide brief to look at methods of trade monitoring and new administrative arrangements for the customs. Headed by the finance minister, Edgar Millares, it is under orders to design a new customs strategy, to be on the president's desk no later than the end of May.

To put new ideas into practice, however, the president may have to upset a lot of his friends. Mr Millares accuses Bolivia's businessmen and its prosperous elite of being heavily involved in contra-



band. Even the formal sector of business, it seems, commonly pays customs men not to notice its imports, if only so that it can compete with black-marketeers.

Customs employees related to politicians are widely suspect. It is common knowledge that political parties use their patronage of jobs in the customs service to ensure a flow of cash into party coffers. Dealers in coca or cocaine have their own reasons for palm-greasing, and also finance cross-border trade in other goods as one way of laundering their profits. The IMF is expected to recommend shifting the focus of customs inspections away from Bolivia. Pre-shipment inspection of goods in the country of origin would remove much of the local opportunity for corruption.

Yet corruption is not the whole story. Bolivia's customs posts are woefully ill-equipped. Some do not even have a telephone. Fax machines, let alone computers, are still undreamt-of luxuries for most. It is planned to set up a nationwide computer network. It will enable customs officials to share information on smugglers, their vehicles and their contraband—provided, of course, that the officials are trained in using it. Oh, and exactly how, by the way, will the computers come into the country?

Yankee Big Brother No Longer

U.S. Influence Slackens at Hemispheric Trade Summit

By ANTHONY FAIOLA
and STEVEN FEARLSTEIN
Washington Post Foreign Service

A1

As President Clinton lands today in Santiago, Chile, for the second Summit of the Americas, he'll be in a decidedly different position from that of previous visiting U.S. presidents. Suddenly, not only is Uncle Sam speaking softly in these parts, but he's carrying a small stick.

More than any other issue on the table here this weekend, the

quest to create a Free Trade Area of the Americas from Alaska to Tierra del Fuego by 2005 underscores the new, more equal relationship forming between the United States and Latin America.

In developing a format for talks aimed at creating the world's largest free-trading bloc—the details of which, including meeting dates and interim deadlines are to be announced this weekend—the United States has granted sig-

nificant concessions to its negotiating partners. In essence, to keep the process moving, Washington bowed to a number of demands made by the Latin nations, especially Brazil, an industrial powerhouse with an economy larger than Russia's.

The event that brought this about—congressional rejection of "fast track" legislation that would have granted Clinton

See AMERICAS, A18, Col. 1

AMERICAS, From A1

sweeping powers to negotiate free-trade agreements—may have given an important psychological boost to the idea of hemispheric free trade, analysts say. Latin Americans, who historically had felt bullied or ignored by the powerful United States, realized that U.S. officials would be coming to the negotiating table in a significantly weakened position—one that could be turned to their advantage.

"Latin America is unifying and strengthening, and there is a sense they will no longer allow themselves to be forced into anything" by the United States, said Jan Heirman, an official with the U.N. Economic Commission for Latin America and the Caribbean in Santiago. "They feel they are coming at this from a position of strength."

The format for the 33-nation summit reflects that reality. No longer are the countries of Latin America lining up, in effect, to negotiate individually with the United States about joining Canada and Mexico in an enlarged North American Free Trade Agreement. Instead, these talks will be multilateral, with the United States just one player and other countries free to participate individually or as blocs.

In one noteworthy concession, the United States also dropped its insistence that any agreements reached early in the process be locked up in preliminary treaties, even as broader talks continue on more difficult issues. Instead, the entire agreement must be considered as a single package—a formula that the Latin Americans believe will give them greater leverage in the final stages of negotiations. The United States also agreed to formation of a committee to deal strictly with agriculture, something it opposed in the past.

The result, although still only a framework for negotiations, illustrates an extraordinary maturing of U.S.-Latin relations through the prism of free trade, analysts say. Symbolically, it brings a respite to the perception of Uncle Sam as Big Brother to this part of the world.

"The situation is obviously different now" than at the first Americas summit in Miami, Chilean President Eduardo Frei said in an interview this week. He suggested that Latin America would proceed toward economic integration with or without the United States.

"We are going to launch the movement to reach this accord by 2005," Frei said. "And we are agreeing with the Clinton administration to advance [the process in talks with the United States], but their domestic problem [of fast track] is going to have to be resolved along the way. Regardless, the integration process is now practically impossible to stop."

U.S. officials maintain that they have yet to give in to the Latin Americans on anything concrete and that procedural concessions were necessary to win acquiescence for creation of a special study group to consider social, environmental and labor issues. Those issues are at the heart of opposition to free trade among congressional Democrats and were the sentiments that derailed fast track on Capitol Hill late last year.

U.S. trade officials say that without ensuring some mechanism for interjecting those issues into the trade talks—even one as nebulous as a study group—there was little chance that Congress would endorse a hemispheric free-trade pact.

"We have a moment to establish a general partnership based on mutual trust and respect," Thomas "Mack" McLarty, the White House special envoy for the Americas, said of the pending talks. But "at some point, you certainly need to shape it and advocate U.S. interests."

The United States and Latin America are moving toward a free-trade compact for distinct reasons. For the United States, a pole-to-pole free-trade zone would give it preferential access to the region's fast-growing markets and economies. Latin business leaders, noting the recent economic troubles in Asia, have put themselves forward as an attractive alternative market for goods and a good place for investment.

The Washington Post

THURSDAY, APRIL 16, 1998

The United States has watched, meanwhile, as individual Latin nations have decided not to wait for Washington to leap aboard the free-trade train. Chile, for instance, has struck bilateral accords with Canada and Mexico—the United States' partners in NAFTA—which have given those two countries a leg up in dealing with the most technologically advanced nations in Latin America.

From 1990 to 1996, overall trade doubled in Latin America to \$493 billion, according to the Inter-American Development Bank, with the spoils being shared largely within new Latin American trading blocs—the largest being Mercosur, which encompasses Brazil, Argentina, Paraguay and Uruguay, and represents nearly two-thirds of the region's overall trade volume.

For Latin America, the primary benefit would be increased U.S. investment and, for consumers here, cheaper, high-quality American goods on store shelves. Such nations as Argentina, Chile and Peru are eager for the kinds of benefits that came to Mexico as a result of the NAFTA agreement, including new jobs and high-tech factories built with U.S. corporate dollars. Indeed, NAFTA is credited by the Mexican government not only with boosting trade between Mexico and its mammoth trading partner to the north, but with helping it cultivate trade with partners elsewhere around the globe. "It has put Mexico on the radar of other countries that wouldn't have had the incentive to be here," one Mexican official said.

But there are forces in Latin America that oppose the idea of dropping trade barriers, in countries both big and small. In large nations, such as Brazil, domestic companies that have long enjoyed a captive marketplace do not want to surrender their advantage to U.S. competition. In small countries, especially Caribbean island nations, the threat is even greater, since their economies of scale generally make local manufactures far less competitive than their American counterparts.

There is resistance on some nego-

tiating issues in the United States as well, chiefly arising from labor concerns. Thea Lee, the assistant director for public policy at the AFL-CIO, says, for example, that the hemispheric trade committee on labor issues may be no more than political window-dressing aimed at appeasing Democrats in Congress.

"Our view is that this could be a positive step if it turns out to be a stepping stone to have the concerns of labor and environmental groups reflected in the final agreement," said Lee. "But it is not acceptable if all we get is a committee and nothing more by way of results. Our sense, frankly, is that the Latin American ministers still have great hostility to considering worker rights and workplace safety issues."

At this point, a hemispheric free-trade zone is still far from a reality; only procedural architecture has been agreed upon, and implementation could take 15 years or more. Still, as worked out by trade ministers at a meeting last month in Costa Rica, overall supervision of the process will be delegated to one country on a rotating basis, starting with Canada and winding up with the two major antagonists, Brazil and the United States, as co-presidents. It's at that point that Washington will be playing rougher.

But by then, the United States must have fast-track legislation to stay in the game, experts say. Yet there are no moves currently afoot at the White House or in Congress to reintroduce such legislation this year, and congressional leaders say there is no likelihood of such a move this year.

"You've got to understand that this deal will [still] require huge concessions by Latin American countries, involving very big political risk," said Jeffrey Schott, a senior fellow at the Institute for International Economics in Washington. "But they are going to be unwilling to put their best offers on the table and take those risks if they sense that an agreement will eventually be rejected or amended by the Congress."

Faiola reported from Santiago,
Pearlstein from Washington.

The Washington Post

THURSDAY, APRIL 16, 1998

POLITICS

Miami Publisher Circles the Ring

How bad are Democratic prospects in the Florida's governor's race? Bad enough for a group of influential Democrats to try to lure the independent publisher of the Miami Herald to enter the already-crowded primary.

David Lawrence Jr., a veteran journalist with no political experience, said he will attend a meeting in Orlando this weekend to weigh the request made by several big names in Florida Democratic circles.

"This is not something I had contemplated or sought or dreamed of," Lawrence said in a telephone interview yesterday. But, he added, the prospect of public service is tantalizing. "I'm 56 years old and I think about what I want to do when I grow up."

Ironically, the buzz about Lawrence began in the camp that could be most damaged by his entry. In January, Lt. Gov. Buddy MacKay (D) asked Lawrence to consider being his running mate. Lawrence turned him down, but that got others thinking.

A short time later, hotel developer Joe Chapman urged Lawrence to run for the top spot himself.

Chapman, along with elected officials such as Attorney General Bob Butterworth and Insurance Commissioner Bill Nelson, will also attend the weekend session.

Lawrence said he plans to decide within a week and if he runs he would leave the Herald.

Jeb Bush, son of the former president, faces no opposition in the GOP primary and had a strong lead in the latest polls. In a head-to-head match-



Sen. Richard C. Shelby (R-Ala.) and President Clinton buried differences to tour the Alabama tornado damage.

up taken last month Bush led MacKay, 50 percent to 39 percent. MacKay has raised less than \$2 million to Bush's \$6.3 million.

Both President Clinton and Vice President Gore took the unusual step of endorsing MacKay in the primary that includes former state senator Rick Dantzler and state Rep. J. Keith Arnold.

MacKay spokeswoman Michele Kucera said the lieutenant governor was confident he would win the primary and general election.

"This is just reporters going wild on speculation."

Tornado Tour Recalls Stormy History

Early in President Clinton's first term, Sen. Richard C. Shelby (Ala.) pronounced himself so disgusted with the direction of the new administration that he dropped out of the Democratic Party and won reelection as a Republican. "We got off on the wrong foot," Clinton recalled yesterday, understating the history a bit.

To hear both Clinton and Shelby describe it, however, what was once among the most poisonous relationships in Washington is doing better. The two men spent part of the day together touring tornado damage in Alabama.

Later, while flying back to Washington, Clinton happened to see Shelby's image on the TV screen in the news media cabin of Air Force, and spoke with reporters about their tortuous history.

It had taken "a while," Clinton said, for the relationship with Shelby to evolve. Things were not helped when Shelby, then still a Democrat, voted against Clinton's 1993 budget, and White House aides let reporters know about their plans to retaliate.

Clinton noted how Shelby seemed to go out of his way yesterday to thank him for coming to Alabama. Earlier in the day, Shelby had told reporters he was glad Clinton had traveled to Birmingham, adding, "I've always liked the president."

Clinton still does not seem entirely comfortable. Pointing to Shelby's flickering image on the screen, Clinton said, "He's a very complicated man."

FEC Probes Christian Broadcaster

The Christian Broadcasting Network has until Monday to turn over documents to federal regulators investigating charges the Christian Coalition engaged in partisan activities, according to the Associated Press.

A U.S. District judge ruled that the network must release at least 38 documents, many of which describe business dealings between the two groups.

The Federal Election Commission is pursuing evidence the Chesapeake-based coalition coordinated its activities with Republican candidates from 1990 to 1994. Both the network and the coalition were founded by former GOP candidate Pat Robertson.

The coalition maintains it is a nonpartisan organization that informs voters on critical issues but does not endorse candidates.

Gonzalez Seeks Gonzalez's Seat

It looks as if a Gonzalez will continue to represent the voters of Texas's 20th Congressional District.

Charlie Gonzalez, son of retiring Rep. Henry B. Gonzalez (D-Tex.), defeated City Councilwoman Maria Berriozabal for the Democratic nomination in the San Antonio district, which his 81-year-old father has represented since 1961. Charlie Gonzalez, a former state district judge, is the overwhelming favorite to take over the seat because the district is solidly Democratic. He faces Republican James Walker in the November contest.

The 20th is the only one of Texas's 30 House seats without an incumbent seeking reelection.

—Ced Connelly and John F. Harris

The Washington Post

THURSDAY, APRIL 16, 1998

U.S. Tells Colombia Army Imperils Hostages

By LAURA BROOKS
Special to The Washington Post

BOGOTA, Colombia, April 15—As Colombian troops continued an air and ground offensive against leftist rebels holding four kidnapped Americans this week, U.S. officials said that the military actions could endanger the safety of the hostages.

"We expressed our concern about this activity to the Colombian military" on Tuesday, said a State Department official, who gave no details. "I think they understood."

Over the weekend and on Tuesday, ground troops attacked rebel units in a remote mountainous area in the central state of Meta. Gen. Fredy Padilla, commander of the army's 7th Brigade, said in an interview. The troops received air support from Black Hawk helicopters and AC-47 gunships, he said.

Eleven soldiers and 11 rebels were killed over the weekend when members of an elite counterinsurgency brigade pursued rebels in an area 45 miles southeast of Bogota.

The fighting took place in the area where guerrillas seized four Americans, an Italian and more than two dozen Colombians on March 23 near the city of Villavicencio, 50 miles southeast of the capital. The Americans—Thomas Fiore, Todd Mark, Peter Shen and Louise Augustine—were on a bird-watching trip when they drove into a roadblock set up by members of the Revolutionary Armed Forces of Colombia. It is the larger of Colombia's two principal guerrilla groups and has recently dealt the army some of the most serious setbacks in the country's 40-year communist insurgency.

The guerrilla group has refused to release the captives, saying they would be killed if they are determined to have ties to the CIA, the FBI or the Drug Enforcement Administration. But the rebels also have suggested that they will ask for ransom payments and that they may hold the tourists for as long as a year.

Fiore escaped from the rebels on April 2 under unclear circumstances, the Italian captive was released today and most of the Colombians have been freed. But the guerrillas still hold the three American bird-watchers; another, unidentified American captured separately; and five Colombians, Padilla said.

Some Colombian officials praised

the military's efforts, saying troops are pushing the rebels to resolve the impasse over the captives. Padilla said the army is putting "appropriate pressure" on about 300 rebels.

"The purpose of this operation is that these (hostages) be freed safe and sound as soon as possible," he said. Padilla said army attacks have not been indiscriminate and occurred only when troops have directly observed the abductors.

"We've been very emphatic in affirming to all our men involved in operations that the most important thing is the security and physical integrity of the captives," he said.

U.S. officials have refused to comment on whether they have asked the army to curtail its offensive. But officials said operations involving hundreds of troops in the wooded area may lack the precision and coordination to succeed and could jeopardize the hostages' safety.

Padilla acknowledged U.S. fears, saying "I believe it is a normal reaction—that concern exists by the families as well as by government officials regarding the hostages' fate." Army officials said they do not intend to curb their attacks. "The operations must continue, but the army is taking precautions to preserve the lives of those abducted," said Capt. Fernando Avila.

The offensive comes at a time when the army has been severely criticized in Colombia and the United States for its lackluster performance against the two major rebel groups. In recent weeks, U.S. military commanders have stated that the army is inept, poorly equipped and losing ground against an estimated 15,000 to 20,000 rebels.

In recent weeks, U.S. officials have issued increasingly severe warnings about the danger to Americans traveling in Colombia.

Guerrillas have recently issued threats against U.S. military officials, saying they are targeting anyone involved in counterinsurgency efforts. U.S. officials say there are no U.S. advisers helping Colombia fight its rebels, but Washington is supplying anti-drug aid and instruction which is used against rebels involved in drug operations.

Correspondent Douglas Foran in Washington contributed to this report.

The Washington Post

THURSDAY, APRIL 16, 1998

Cesar Gaviria

Reshaping the Hemisphere

This weekend in Santiago, Chile, we will witness a remarkable affirmation of shared goals and values, when the heads of state and government from the hemisphere's 34 democracies meet for the Second Summit of the Americas.

The leaders who will gather in Santiago represent some 750 million people of different races, languages and dreams who live in the vast stretch from the Yukon to Patagonia. The economies of their countries have a combined GDP of \$9 trillion.

Once divided by Cold War conflicts of interest, our nations today are united by an unprecedented convergence of ideals and values. With the exception of Western Europe, no other region in the world can lay claim to such political stability and economic potential. The 34 countries that will be represented in Chile—all of which sit together at the table within the Organization of American States (OAS)—now have democratically elected governments. Some have left behind a dark past of repressive dictatorships or civil wars; today, they have resolved to strengthen democratic gains, promote human rights, foster economic growth and improve the everyday lives of citizens.

Of course, we do not all have the same perspectives or needs. Consider this: Canada's economy is 125 times the size of Jamaica's—and Canada's is not the largest economy in the Americas, nor is Jamaica's the smallest. The disparities in education levels and economic opportunities within our hemisphere are sobering and painful. That is what makes our shared vision all the more remarkable.

While education is the priority for Santiago, the hemisphere's leaders will look at more than 20 issues, ranging from promoting equal opportunity for women to improving our nations' telecommunications systems. They will also set in motion a multilateral effort to evaluate the region's progress in the fight against drugs.

In the little more than three years since our first summit in Miami, we have taken a number of concrete steps that are reshaping the architecture of the hemisphere. Many of these advances do not make headlines, but they do make a difference.

For example, in 1996 the OAS

adopted an anti-corruption convention—the first international agreement of its kind—which gives us new tools to combat bribery, illegal enrichment and related crimes.

We have a new convention in the hemisphere to stop illegal arms production and trafficking. This agreement, signed last November in the presence of President Clinton and Mexico's President Ernesto Zedillo, will help us track the flow of illegal firearms, explosives and ammunition, and cooperate in stemming these international crimes.

The hemisphere has focused on the need for the type of development that takes into account not only economic concerns but also environmental and cultural factors. A detailed plan to address these issues came out of the 1996 Summit of the Americas on Sustainable Development, held in Bolivia.

Acting on another mandate from Miami, our nations have developed a comprehensive strategy to combat illegal drug production, trafficking and consumption. In 1996, we also adopted a plan of action against money laundering.

We have made progress on other fronts too, including trade. Even though the lack of fast-track authority by the U.S. government is a setback, the momentum behind free trade is already established. Average tariffs in Latin America have fallen from 40 percent in the late 1980s to 11 percent today. In a recent meeting of trade ministers in Costa Rica, the governments agreed to launch formal negotiations in Chile to create a Free Trade Area of the Americas by 2005.

Nobody denies the immensity of the task ahead—especially when it comes to addressing such complex challenges as fighting poverty and giving our citizens better access to education. The nations of the Americas have missed opportunities in the past to address many of our problems. But today, in a climate of economic growth and democratic values, we have every reason to be optimistic that we can seize the day and build on the progress we have already made.

The writer is secretary general of the Organization of American States and a former president of Colombia.

The Washington Post

THURSDAY, APRIL 16, 1998

But Thailand's refusal to accept him apparently led to confusion in guerrilla ranks. They were reportedly told by Thai authorities to contact the International Red Cross. But the Red Cross said Wednesday that it had received no word from the Khmer Rouge.

Gen. Meas Sophea said the handover was also expected to include Ta Mok, known as "the butcher of Cambodia" for his role in the deaths of tens of thousands. Ta Mok took over from Pol Pot last year.

Asian diplomats said the border rendezvous may be an attempt by the present Khmer Rouge leadership to determine whether the Cambodian government is prepared to grant them amnesty.

Defense Minister Tea Banh said Sunday that he did not expect further significant fighting with the remaining Khmer Rouge forces.

But the guerrillas may have a problem finding a way to rid themselves of Pol Pot. In an interview published by the Hong Kong-based Far Eastern Economic Review this week, commander Nou Nou said that although Pol Pot had agreed to face an international tribunal, he did not want to be taken to Phnom Penh.

More than a million of the city's residents were sent to the killing fields, the notorious rural labor gulags, 24 hours after the Khmer Rouge marched into the city on April 17, 1975.

"I will go anywhere, but not to Phnom Penh to work with Vietnam," Pot Pot was reported to have told Nou Nou.

The Khmer Rouge routinely denounce the current Phnom Penh government as puppets of the Vietnamese. A 1979 invasion of Cambodia by Vietnam ousted the Khmer Rouge from power and sent them fleeing to the northern jungles.

The negotiations for the handover are expected to take place somewhere along the Cambodia-Thailand border. The latest Thai estimates are that between 200 and 500 Khmer Rouge fighters are holed up along the border, together with as many as 10,000 villagers and porters.

Cambodian officials say the remnants of the once-disciplined Khmer Rouge are expected to seek medical supplies and food during the negotiations.

Cambodia could grant them the same autonomy and pardons it gave other Khmer Rouge deserters, including figures such as Ieng Sary, the foreign minister under the Pol Pot regime.

Meanwhile, deserters this week said Ta Mok caused the mutiny in Anlong Veng by refusing to ease the same rigid rules and punishments that had governed rebel life since 1975. He also reneged on his promise to allow soldiers and villagers to trade as he had promised after succeeding Pol Pot.

Brother Number One was charged with treason last June, a crime punishable by death under Khmer Rouge rules. But Pol Pot was condemned only to house arrest for the rest of his life.

His demise came after he ordered the murders of his longtime ally and former Defense Minister Son Sen and 14 of the minister's family, including children. Son Sen had advocated a peace arrangement with the government along the same lines that allowed Khmer Rouge commanders in other regions autonomy over their areas in return for an oath of allegiance to Phnom Penh.

Latin America Bypasses Laggard U.S. to Lead Free-Trade Movement By Laurie Goering, Chicago Tribune Knight Ridder/Tribune Business News

SANTIAGO, Chile--Apr. 16--Expansion of NAFTA may be mired in a Washington political quagmire, but you wouldn't know it from the balance sheets of Peoria-based Caterpillar Inc.

Last year the heavy equipment manufacturer sold \$1.7 billion worth of graders, scrapers,

tractors and other machinery in Latin America, up from \$1.2 billion in 1996.

That expansion -- some 37 percent in just one year -- came despite the failure of President Clinton to win fast-track negotiating authority to expand NAFTA into South America, and despite warnings by economists that South America's own emerging trade pacts might soon prove a roadblock to U.S. business expansion in the region.

"Actually they've made our job easier, absolutely," said Robert Petterson, Caterpillar's vice president for Latin America. Regional trade groupings, such as the Mercosur pact dominated by Brazil and Argentina, have made it simpler and faster for Caterpillar's Brazil manufacturing plant to ship machines to Argentina, Chile and much of the rest of South America.

That has boosted sales, held down costs and generally made Caterpillar confident of its future in Latin America -- even as the United States has relinquished its dominance of hemispheric free trade negotiations.

"It's unfortunate that the problems with fast track have caused the United States to lose some of its leadership on the issue," Petterson said. But Congress' reluctance to expand the North American Free Trade Agreement, he and other businessman say, has done nothing to slow an explosion of free trade in the Americas.

Four years ago, at the first Summit of the Americas in Miami, the hemisphere's leaders agreed to set up a free trade zone from Alaska to Patagonia by 2005, with formal negotiations on the pact to begin at a second summit in 1998.

This week President Clinton walks into that summit in Chile, a nation that once appeared likely to be NAFTA's next member, without even the fast-track trade negotiating authority he has tried for four years to win.

This state of affairs has reduced the United States to essentially a sideline role in Latin America's fast-moving trade negotiations, which today focus more on regional deals and pacts with Europe and Asia than on trade with the United States.

"That's not from our point of view an overly positive development," U.S. Trade Representative Charlene Barshefsky said at a White House briefing earlier this week.

White House officials said they still hope for modest progress on specific issues despite the fact that the president doesn't have the leverage he hoped to have coming into the weekend summit of leaders of the hemisphere's 34 democracies.

But Clinton's main role at the gathering, aides confirmed, will be in pushing for regional agreements on education, drugs, the environment and other concerns.

Those issues, along with questions of nagging poverty and limits on freedom of expression, however, are expected to become important focuses of the Santiago summit, largely because of growing disenchantment in Latin America with the the pace of social progress.

Across much of the region, "there were very high expectations that globalization would address a lot of problems and bring better social conditions and higher employment," said Michael Shifter, program manager at Washington-based Inter-American Dialogue.

Instead, as the region has flung open its markets, it has seen almost no reduction in the vast numbers of Latin Americans living in poverty. Unemployment has skyrocketed in many countries as privatized state companies lay off surplus workers and even longtime private-sector companies cut payrolls to meet new global competition.

The problems come despite record growth in the region last year, with an average annual boost in gross domestic product of 5 percent, and despite some of the lowest inflation in two decades.

Growth is expected to fall this year, after the Asian economic crisis that shook countries such as

Brazil and Chile. For Latin American nations pounded by a series of worldwide crises beyond their control, including the 1994 Mexican peso crash, the failure to find security in globalization, or even to see much progress in combating social ills, is disconcerting.

"We're used to looking at trade as an indicator of progress, that if you don't promote more and more free trade somehow you're a Neanderthal," said Victor Menotti of the San Francisco-based International Forum on Globalization, one of dozens of citizen groups participating in an alternative People's Summit this week in Santiago.

But while globalization of trade boosts profits for companies best suited to compete, it also appears to "exacerbate inequalities, between the rich and poor and between rich and poor countries," Menotti said.

"There's a storm of opposition gathering and it's not just in the United States," he said, where fears over job losses and pressure to cut environmental regulations have led to stiff opposition to expanding NAFTA.

Latin Americans aren't ready to back away from global markets -- "there hasn't emerged any kind of coherent alternative," Shifter said -- but they are clearly disappointed.

"What we're finding is that even having all the right macroeconomic things in place doesn't necessarily address social issues," he said. "There's a clear recognition that not everybody is benefiting immediately from the new economic policies that have taken off in Latin America."

Frustration with the new economic model is evident nearly everywhere in the region. In Peru, thousands boycotted the nation's privatized telephone system earlier this month, angry that the new Spanish owners had tripled the cost of local calls and added a series of new service charges.

In Ecuador, hundreds of peasants blocked national highways with boulders and bonfires this month to protest a proposal to privatize social security. In Venezuela, a once oil-rich nation where the poverty rate has burgeoned to nearly 70 percent, many families have too little to eat, and public hospitals are frequently out of even basic supplies such as insulin.

Even in Brazil, where the poor have benefited enormously from a new stable currency after years of hyperinflation, a recent poll showed 53 percent of Brazilians think the country's development is stalled, and a further 18 percent believe it is actually moving backward.

A total of 57 percent of those polled also called unemployment the nation's worst crisis.

"Economic growth is not, by itself, enough. We need effective social policies to improve our peoples' standard of living and to eradicate poverty," Carlos Portales, Chile's ambassador to the Organization of American States, told reporters recently in demanding discussion of social topics at the summit in Santiago.

With those concerns in mind, hemispheric leaders will try in Santiago to share innovative ideas to improve Latin America's notoriously poor education system and to address poverty, unemployment and other social worries.

The leaders also are expected to consider creating a special "rapporteur," or ombudsman, within the Inter-American Commission on Human Rights to track concerns about freedom of expression in Latin America. The proposal, supported by the United States, comes in response to a growing number of attacks on journalists and human rights advocates in the Americas.

Trade, however, remains the heart of the Summit of the Americas process, and the Chile meeting could hardly have come at a time of greater progress in regional integration.

Mercosur and the Andean Pact, South America's second-largest trade group, are expected Thursday to announce their own process of integration.

If the two pacts eventually combine they will effectively create a free-trade area covering virtually all of South America, a sort of SAFTA to parallel NAFTA.

Whether that would make creation of a Free Trade Area of the Americas by 2005 -- the goal of the summit process -- easier or more difficult remains to be seen.

International economists have warned that exclusionary trade pacts like Mercosur, the Andean Pact and the Caribbean's Caricom distort free trade and distract from efforts to reduce tariffs and trade barriers worldwide.

There's little question that for U.S. companies without plants in the pact areas or joint ventures with companies there, gaining access to the markets can be tough. That's especially true if pact countries have local content laws, which demand that a certain percentage of any product sold there be produced within that country or pact.

But "are they a complete barrier? No, they're just a challenge," said James McNamee, senior vice president at First Chicago NBD Bank, one of the U.S. banks that finance trade with Latin America.

He also says, as do a growing number of economists, that trade integration within Latin America can only further prospects for winning a hemisphere-wide free-trade area.

"This is not an anti-U.S. move. I think NAFTA's still important. I think having a hemispheric free-trade agreement is important," agreed John Mein, president of the U.S. Chamber of Commerce in Sao Paulo.

"But as countries get more comfortable with integration by practicing it and as it becomes clear it's a win-win situation, that nobody's losing, then the leaders can only move further in that direction," he said.

Although it is difficult to say how much trade U.S. businesses have lost to Latin America because of the emergence of the region's own trade pacts, what is clear is that U.S. trade with the region is burgeoning anyway, as businesses forge ahead without waiting for government action.

Over the past two years, U.S. exports to Brazil have grown 20 percent a year, reaching almost \$15 billion last year. The once-closed Latin American giant also has sharply dropped its tariffs in recent years, to an average of less than 14 percent today, Mein said.

The U.S. has seen similar growth in trade with many other Latin American nations and now holds huge trade surpluses with many of them.

This growth in U.S. commerce with the region has come despite big increases of trade within the pacts. Mercosur has boosted regional trade among its partners 30 percent since it was launched in 1992, and Andean Pact nations have tripled trade within their region in the same period.

Sadia, a Brazilian processed-meat company, has seen its exports to neighboring Argentina and smaller Uruguay and Paraguay grow from "almost nothing" to \$30 million since the creation of Mercosur, said Luis Furlan, chairman of the board.

"We're disappointed with the lack of trust of the American Congress" in expanding NAFTA and cutting U.S. trade barriers, he said. But the expansion of Mercosur, which has already incorporated Chile and Bolivia as partial members, Furlan said, "should make forming the Free Trade Area of the Americas that much easier in the future."

financial stability" in those countries. As evidence, the communique noted the "early return to the capital markets by some countries," a reference to the successful sale of bonds by South Korea.

The ministers warned, though, that a full return to the rapid growth path required "a substantial commitment to the macroeconomic and structural reform" of the IMF programs for their countries.

And in an oblique reference to the food riots that continue to disrupt Indonesia and the potential for labor unrest there and in Thailand and South Korea, the communique noted "the importance of building a social consensus, which requires action to limit the impact of the crisis on the poor."

Latin Summit to include forming an institution to protect press rights By Andres Oppenheimer Knight Ridder Newspapers (KRT)

MIAMI In a move hailed by media groups across the hemisphere, the establishment of a new institution to guard press freedom is due to be announced at the second Summit of the Americas this weekend in Santiago, Chile.

President Clinton, who is among the 34 government leaders attending the summit, also will announce a \$300,000 contribution from the United States to support the new press-rights office, according to U.S. officials. The Clinton administration hopes that other governments, press associations and private companies will make additional contributions, officials say.

According to a draft of the summit's declaration, the office will operate within the Organization of American States' Human Rights Commission.

"This is very important," said Ricardo Trotti, a spokesman for the Inter-American Press Association (IAPA), a group representing newspapers, radio and TV news throughout the hemisphere. "It's an official recognition by governments that there is a problem with freedom of the press in the region."

Despite growing freedom of speech in most countries in the region, large numbers of journalists are being killed, and many of the crimes are never properly investigated.

At least 192 journalists have been slain in Latin America over the past 10 years, according to IAPA.

"The media's growing independence has exposed journalists to different kinds of dangers," says Joel Simon, a spokesman for the New York-based Committee to Protect Journalists.

"Government officials, powerful economic actors and criminal elements, including drug traffickers, have responded to efforts to probe their activities by lashing out at the press."

In the past, some governments have ignored complaints by media groups about violations of press freedoms, Trotti noted.

"Now, it will be a multinational office supported by all governments that will be making such demands" he said. "It will have much more political weight."

OAS Secretary General Cesar Gaviria said the soon-to-be appointed press monitor who will be officially known as "special rapporteur for freedom of expression" also will take up specific complaints by journalists against governments.

The new officer will be appointed by the OAS' seven-member Human Rights Commission this year, and will issue his first country-by-country report by next year, Gaviria said, adding that the new office "will act with autonomy and independence" from government pressures.

Independent analysts say they have no reason to dispute that at least for now.

While the OAS as a whole rarely criticizes member countries, its human rights commission

enjoys greater independence because its members do not represent their governments.

The commission recently ruled against the Mexican government in a case involving a general who was arrested after criticizing army human rights abuses.

Among the complaints the rapporteur may be asked to take up is the case of Peruvian television owner Baruch Ivcher, officials say.

Ivcher, an Israeli-born Peruvian citizen, was stripped of his Peruvian citizenship and effectively ousted from ownership of his television station after it aired investigative reports linking military officers to the drug business. Ivcher has since submitted a complaint to the OAS Human Rights Commission.

OAS officials say the Human Rights Commission could possibly take cases to the Inter-American Court of Justice in Costa Rica, whose rulings must be honored in several countries in the region. But many journalists question whether the press monitor will be able to go beyond focusing public opinion on abuses.

"I love the idea of a continental forum with powers to punish a government when it acts wrongly," said Hector D'Amico, managing editor of Argentina's Noticias magazine, who recently was ordered by a federal court to pay President Carlos Menem \$150,000 for violating his privacy by printing a report on his purported illegitimate son.

"But the key question will be whether its decisions will be mandatory. Otherwise, it won't do us much good."

Paula Jones' decision on appeal could mark the end or beginning of long legal battles for the president By Elsa C. Arnett Knight Ridder Newspapers (KRT)

WASHINGTON Paula Corbin Jones is poised to help decide just how difficult President Clinton's next year will be.

On Thursday, Jones is scheduled to announce whether she will appeal a federal court ruling that dismissed her sexual harassment suit against Clinton two weeks ago.

If she drops the case, the president would be liberated from a legal assault that has dogged him for nearly four years, depicted him as a womanizing, lying adulterer and tainted his presidency as one of the most scandal-ridden in history.

Clinton still would face the relentless pursuit of Independent Counsel Kenneth Starr and questions about his relationship with Monica Lewinsky. But Jones' name likely would fade from the public eye, along with her claims that Clinton dropped his trousers and propositioned her in a Little Rock, Ark., hotel room in 1991.

If Jones persists as many who have talked to her in recent days say she's likely to do it could mean at least another year of legal warfare that could go all the way to the Supreme Court.

It means more recounting of the lurid details of the allegations and more headlines in newspapers and the evening news. Clinton's presidency, as well as his time and energy, will be hampered by this persistent cloud of allegations of sexual impropriety.

At worst for the president, an appeal could lead to a reversal of the federal judge's dismissal, and a trial in Arkansas where Clinton would be called to testify.

"Either way, this won't be a major setback for the president, but it's still a big deal because it's like a death from a thousand cuts," said Michael Giles, a political scientist at Emory University. "He needs to stop the bleeding on this one so he can attend to all the other wounds."

Presidential scholar Shirley Anne Warshaw, at Gettysburg College in Pennsylvania, said an

addiction, as proposed in last year's agreement.

"Without these protections, the industry will never agree to the voluntary provisions, such as advertising restrictions and other efforts to reduce teen smoking," said Mr. Hatch. "And those voluntary restrictions are so significant to effectively reducing underage smoking."

Under Mr. McCain's bill, even the \$6.5 billion annual cap on industry damage payments could be lifted if tobacco firms seriously violated key parts of his bill.

But many in Congress, including most liberal Democrats and Mr. Gingrich, oppose any limits on the rights of smokers to sue cigarette makers.

With public opinion polls showing the nation overwhelmingly favoring tough treatment, Mr. Gingrich says the industry has no chance of avoiding a tobacco control law this year.

House aides trying to implement Mr. Gingrich's plan agree. "There is no consensus about the big issues," said one. "But there is overwhelming consensus on the need to produce some sort of anti-teen-smoking bill."

Hemispheric Summit Raises Doubts about America's Dependability By David LaGesse, The Dallas Morning News Knight Ridder/Tribune Business News

SANTIAGO, Chile--Apr. 16--A hemispheric summit this weekend will cap four years of heightened U.S. involvement in regional affairs -- and spotlight growing doubts about America's future commitment.

President Clinton's arrival here Thursday for the weekend meeting will mark his third trip to the region in 18 months. The United States hosted a similar summit in 1994, the first in more than a quarter-century, at which it aggressively promoted an agreement for economic integration by the year 2005.

Now the United States stands divided about how and whether to participate in that trade agreement, which analysts say remains the driving force in bringing once-unfriendly countries together.

Administration officials in recent days have taken pains to say they want to change traditional U.S. involvement in the region -- occasional intervention followed by long periods of neglect.

They say that the United States enjoys greater national security because of Latin America's dramatic shift to democracy in the past 10 years, and that U.S. companies can capitalize on the region's opening markets.

"This is not your father's Latin America," Thomas F. "Mack" McLarty, Mr. Clinton's close friend and his special envoy to the Americas, said in a speech last week.

Mr. Clinton will first conduct a two-day state visit with Chilean President Eduardo Frei, and then join the summit opening on Saturday.

Aside from Cuba, all 34 other countries in the hemisphere now have democracies and will participate in the Santiago summit. Cold war divisions have melted, most countries are moving quickly to free markets, and all have pursued trade agreements with each other and around the world.

Now the leaders want the next round of reforms. They've dubbed this the "education summit," emphasizing social changes needed to buttress young democracies.

"Progress is not assured and not guaranteed," Mr. McLarty told reporters. "It is critical ... to have a second generation of reform to sustain the first generation, the macroeconomic reform."

In getting ready for the summit, the 34 countries already have agreed to spend billions in aid on

education and poverty reduction -- much of it coming from the United States. They've also agreed to a new, multilateral process for coordinating and judging each other's counter-drug efforts.

But trade has driven the hemisphere's growing closeness and will drive its angst at this summit, said Peter Hakim, head of the Inter-American Dialogue in Washington.

"Trade is the core, the heart and the soul of this process," he said.

Recent U.S. ambivalence toward free trade has made Latin Americans nervous and more cautious about America's long-term commitment, Mr. Hakim said.

"The skepticism among some of them is running high."

Congress last year refused to give Mr. Clinton the authority to negotiate broad, new trade deals. Congressional Democrats balked because of concerns about labor rights and the environment, which they say have suffered under a trade pact with Mexico.

Leaders here will launch formal negotiations for a Free Trade Area of the Americas, a treaty that would lower trade barriers throughout the hemisphere. The other countries are betting the United States can sort out its domestic politics before an agreement must be signed.

Some analysts say U.S. hesitance has lessened its influence. But U.S. Trade Representative Charlene Barshefsky said the United States' sheer economic size, with \$7 trillion in total annual production, gives it sway in trade talks.

"The United States is a 7 trillion-pound gorilla," she said.

Still, Mr. Clinton has not accomplished a more modest goal unveiled at the last summit -- a trade agreement with Chile. The president and his counterparts in the North American Free Trade Agreement, Mexico and Canada, promised to make Chile the pact's "fourth amigo."

Mexico and Canada didn't wait for the United States and signed bilateral agreements with Chile.

Chile doesn't expect to even raise the issue of a U.S. pact during the state visit by Mr. Clinton.

"That's completely on hold," said Economics Minister Alvaro Garca Hurtado. "We do not expect to even talk about bilateral trade liberalization."

Like the summit itself, Mr. Clinton instead will focus on social and democratic changes in Chile. A highlight will be a speech to Chile's Congress in nearby Valparaiso, where it was moved by Chile's former dictator, Gen. Augusto Pinochet.

Mr. Pinochet recently retired as Chile's top military leader and now serves as a senator-for-life under the constitution he crafted. It's unclear if Mr. Pinochet will be present for Mr. Clinton's speech on Friday.

"I know that's been the subject of some discussions," said National Security Adviser Sandy Berger.

Mr. Pinochet's presence would not change Mr. Clinton's plans to celebrate Chile's return to democracy in 1990, Mr. Berger said.

"Chile is a democracy with a glorious recent history of having reclaimed its democracy," he said.

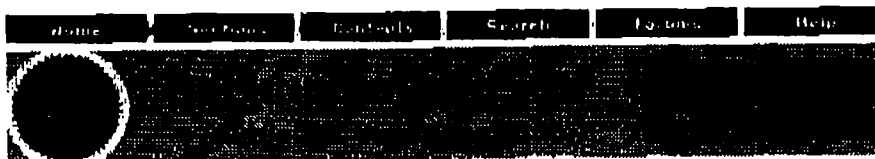
Mr. Berger and Secretary of State Madeleine Albright, among others, are expected to join Mr. Clinton at the summit.

Mr. McLarty is widely credited with keeping the White House focused on the region. The former businessman has told aides he plans to leave the White House after the summit, and Latin American leaders have quietly voiced concern that U.S. attention will wane after his departure.

Mr. McLarty says his 40 trips to the region only reflected the interest of Mr. Clinton, whose interest he said remains strong.

"It is very much, I think, a priority of this administration, of this president, of this secretary of

state," Mr. McLarty said. "We will continue to see ... sustained engagement to cement these relationships and strengthen democratic institutions."

International**The New York Times**

April 16, 1998

Clinton Begins State Visit to Chile

By THE ASSOCIATED PRESS

SANTIAGO, Chile -- With trade, democracy and education on the agenda, President Clinton begins a state visit to Chile Thursday as a prelude to the second Summit of the Americas.

No formal list of topics has been announced for Clinton's direct talks with Chilean President Eduardo Frei, but issues of commerce were expected to arise. The summit will deal primarily with plans for a free trade zone in the Western Hemisphere.

Trade between Chile and the United States boomed to nearly \$7 billion in 1987. Frei said a fixed agenda was unnecessary because "relations between our countries are good enough as to allow us to discuss any subjects."

Nevertheless, officials expected Frei to discuss several trade disputes, including accusations that Chile is dumping its salmon at low prices and other complaints related to its exports of grapes and wood products.

Economy Minister Alvaro Garcia said the two nations might soon establish a mechanism to settle their trade differences, but it wasn't known whether an accord would be ready for a signing ceremony during Clinton's visit.

The Chileans expected Clinton to inquire about their Air Force's plan to invest \$500 million in new jet fighters. Later this month, the air force will decide whether to buy F-16s or F-18s, or to turn to European producers.

A state dinner in honor of Clinton and his wife, Hillary, was planned for tonight.

On Friday, Clinton was heading to the coastal city of Valparaiso to address a joint session of the Chilean legislature -- an appearance that could lend some drama to week.

Gen. Augusto Pinochet, the former military dictator whose government was responsible for more than 3,000 political killings during a 17-year reign, was named a senator for life last month and could be in the audience for Clinton's speech.

Friends and former colleagues of Chilean diplomat Orlando Letelier, who was assassinated in Washington in 1976, have been pushing the administration to speak out against the sort of state-sponsored terrorism practiced by Pinochet's government.

They say that while he is cheering Chile's resurgent democracy, Clinton should also increase U.S. cooperation with a Spanish inquiry into Pinochet's culpability for human rights abuses and "acts of genocide."

But while Clinton will reaffirm the U.S. commitment to protecting human rights, he did not plan to directly address the Letelier case during his visit, National Security Council spokesman P.J. Crowley said Wednesday.

Any such move poses a diplomatic risk: Pinochet, 82, who lost the presidential election in 1990 after 17 years of iron-fisted rule, retired as head of the military only last month. His success in turning Chile into a model of economic reform in Latin America has made him a popular figure with large segments of Chilean society and throughout South America.

Sandy Berger, Clinton's national security adviser, said Clinton will deliver a strong pro-democracy message to the legislature.

"He will say the same thing whether he's in the audience or not: Chile is a democracy with a glorious recent history of having reclaimed its democracy," Berger said. "And I can assure you that what the president says will not be affected by whether General Pinochet is in the audience or not."

After a two-day state visit, Clinton will join 33 other leaders at a summit launching formal talks to establish a free-trade area involving every nation in the Americas except Cuba.

The meeting will also deal with drug trafficking, democracy and education, but trade is expected to be the dominant topic. Clinton failed to win fast-track negotiating authorization from Congress for trade agreements, frustrating efforts to expand the North American Free Trade Agreement to include Chile.

In the first Summit of the Americas in 1994 in Miami, the three NAFTA partners -- Mexico, Canada and the United States -- invited Chile to join. But Frei has refused to negotiate unless Clinton gets fast-track authorization.

This week, Frei said Latin Americans "will continue to advance" toward a regional free-trade area and the presidents attending the summit would agree to open formal talks by June.

U.S. Commerce Secretary William Daley, briefing reporters in Washington, said the lack of fast-track authority would not preclude progress toward forming the free trade area.

"Some people ... are looking for excuses not to move forward, but ... in real

terms, it should have no effect," he said.

He also held out hope that fast-track, which was opposed by a bipartisan coalition and activists from labor and environmental groups, might pass Congress in 1999, after congressional elections this fall.



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CRIME

A Special Breed of Bandit

At their summit in Chile, Bill Clinton and other heads of state ignored Latin America's most pressing problem



LUKE FRAZZA—AP/WIDE WORLD
'The No. 1 crisis': Greeting the U.S. president at a Santiago university

BY BROOK LARMER

FOR LATIN AMERICA'S NEW BREED OF bandits, there is no such thing as a bad time for crime. If there were, then the thief in Santiago wouldn't have targeted President Clinton's social secretary on the eve of the Summit of the Americas. The Chilean capital is always patrolled heavily by police; last week it was crawling with hundreds of extra uniformed *carabineros* and visiting foreign agents, all checking and reinforcing security on routes designated for Clinton and 33 other global leaders. That didn't stop a thief from brazenly snatching the Clinton aide's purse in broad daylight—and then melting into the crowd.

When the president arrived in Chile last week, he praised the stunning transformation of Latin America and the Caribbean. The civil wars are mostly over. Democracy has replaced dictatorship in all but one of the region's countries, Cuba. And Latin American economies, leavened by free trade and privatization, have rebounded from the "lost decade" of the 1980s with eight years of robust growth, averaging 5 percent a year. But amid all the smiles and toasts, a troubling question went unanswered; if everything is so great, why are

Latin American citizens more fearful than ever? "The No. 1 crisis in the entire region is the crisis of personal security," says Eduardo Gamarra, a professor at Florida International University. But it was not, he points out, "the subject of a single formal discussion at the summit."

Nobody doubts that the four main topics on the summit agenda—poverty, trade, democracy and education—are vital to the region's future. Summit organizers stress that, unlike crime, these "second generation" development issues (those that follow "first generation" economic reforms) strike at the root of the region's social problems. But the crisis in security is warping the region's social and economic development. And it consistently ranks as the top public concern in opinion polls throughout Latin America. It's easy to see why: Latin America now averages 30 homicides per 100,000 inhabitants, six times the world average, three times the rate in the United States and twice that of Africa and the Middle East. The fear of common crime— theft, assault, kidnapping—affects nearly everyone.

And the situation is only getting worse. Fueled by a widening gap between rich and poor, an ineffectual legal system and a sur-

plus of weapons left over from cold-war conflicts, crime is rising in nearly every country in Latin America. In Mexico crime has multiplied faster in the past four years than in the previous six decades. Colombia, aside from its drug violence, has become the world leader in kidnappings, with more than 2,000 reported last year—one abduction every four hours. El Salvador has surpassed Colombia as the world's most murderous country, with more homicides per year than during the height of its bloody civil war. And a recent United Nations survey reports that 78 percent of Chileans expect to be robbed—while 47 percent of Chilean women expect to be sexually attacked.

The criminal free-for-all is exacting a heavy toll. Last month the Inter-American Development Bank called violent crime "the principal barrier to regional economic development." Its annual cost: \$168 billion, or 14 percent of the region's GDP. But the social and political costs may be even greater. Crime has made large swaths of Latin America a Hobbesian world of brutal competition in which normal social constraints are stripped away. With legal systems too weak or corrupt to enforce law and order,

citizens are turning their homes into fortresses, forming neighborhood-watch committees or—in extreme cases—taking the law into their own hands with private armies or lynch mobs. "The real message is that good macroeconomics is not enough," says Colombian security expert Francisco Thoumi. "The deep problems of Latin American societies are coming to the fore."

What's to be done? A growing number of Latin Americans are clamoring for the *mano dura* (heavy hand): stiffer sentences, more troops on the streets, even a return to the old days of authoritarian rule. But such nostalgia could exacerbate the problem even as it compromises democracy. Carrying out the second-generation reforms pledged in Santiago would certainly help: improving schools, reforming judiciaries, reducing poverty. "You can't solve this with more cops or more diplomacy," says Thomas Cash, a security expert in the Miami office of Kroll Associates. "You need a system of justice, and people committed to it." The Santiago summit produced a bushel of noble pledges. But until the region's leaders show the courage and commitment to tackle the crisis in public security, Latin Americans won't escape their future of fear.

With MARTHA BRANT in Mexico City

What's up in Santiago . . .

By Thomas F. McLarty III

How can you boost U.S. job and wages, fight illegal drugs, protect the environment, and curb illegal immigration all at the same time? President Clinton's answer might surprise you: travel to Santiago, Chile this weekend to improve cooperation with our regional allies. The agenda at the second Summit of the Americas demonstrates that the once bright line between domestic and foreign policy is blurring — particularly in Latin America and the Caribbean.

Trade accounts for one-fourth of our total economy, and 43 percent of our exports go to the western hemisphere. Jobs supported by exports pay 15 percent more than others. We export more to Brazil than to China, and more to Chile, with 14 million people, than to India, with 940 million. And half of the region's population is under 21, so the

Thomas F. McLarty III is counselor to the President and special envoy for the Americas.

growth potential literally goes off the charts.

Gasoline today sells for a little over a dollar per gallon — adjusting for inflation, that's the cheapest it's been in a generation. But how many Americans know that Venezuela is our number one energy supplier, and that three of our top four suppliers are in this hemisphere? Our regional allies have supported our efforts in Bosnia, Asia, and in the Persian Gulf. Their cooperation is critical to combat the dark, evil force of illegal narcotics. And we cannot stop environmental threats such as global warming without the commitment of developed and developing nations alike.

We have seen a quiet revolution in the Americas that is no less dramatic than the fall of the Berlin Wall. Thirty years ago half of the western hemisphere lived under authoritarian rule; today 34 out of 35 countries are democratic. Fifteen years ago Central America was a battleground for the U.S.-Soviet Union conflict. Today Central America is at peace, and the United States exports more to Central America than the former Soviet states combined. A few years ago, Brazil's inflation rate was 5 percent.

Today it remains at 5 percent, but that's 5 percent annually instead of 5 percent each week.

With the region embracing democracy and markets, we have an historic opportunity to advance our national interests. From expanding trade and fighting drug traffickers to restoring democracy in Haiti and peace in Guatemala, President Clinton personally has led our policy of sustained engagement. Along the way we discovered that the concerns of the American people are increasingly the concerns of our neighbors. The people of the Americas share common interests and the same hopes for a better life. We share geography and the value we place on family and faith. Our cultural exchanges are at record levels, and the United States has the fifth largest Hispanic population in the world.

In today's global economy education is the only route to lasting, inclusive growth. But the average Latin American child receives only seven years of schooling, and some teachers must supervise over 100 students. That's why our leaders in Santiago will put a priority on getting more teachers in the classroom, encouraging greater parental involvement and responsibility, linking students to the internet, and expanding vocational training.

A better-educated hemisphere is in our

interests as well, for this simple reason: good schools make good neighbors. Education improves the U.S. economy by enlarging the middle class that buys our products, it encourages those tempted by illegal immigration to stay home, it stabilizes young

We have seen a quiet revolution in the Americas that is no less dramatic than the fall of the Berlin Wall. Thirty years ago half of the western hemisphere lived under authoritarian rule; today 34 out of 35 countries are democratic.

democracies with a deeper commitment to civic responsibility, and it reduces the lure of illegal drug profits.

The Santiago Summit will also help establish a justice studies center and a special rapporteur to advocate for freedom of

expression. Almost 200 reporters have been killed in the last ten years — 13 in the last six months — but these and other crimes go unpunished. Democracy cannot survive without a free press or an independent judiciary. We cannot tolerate intimidation of these rights, whether it be by drug lords, guerrillas, or by governments.

We will launch negotiations in Chile to establish a Free Trade Area of the Americas (FTAA) by 2005. We know that exports and imports increase efficiency, hold down inflation, and support higher-paying jobs. But open markets also have lower poverty rates, higher labor standards, and better environmental protection. In fact, democracy and open markets are two sides of the same coin. Together they are the currency of progress for responsive government and broadbased economic growth.

Gas prices, education, illegal drugs, and clean air and water. These are the issues that Americans talk about as they gather around their kitchen tables, and they are the interests we're advocating in the Americas. As President Clinton meets with the hemisphere's leaders, take a fresh look south. This is not your father's Latin America. With an open dialogue and sustained U.S. leadership, our regional community can work together to find new prosperity in the twenty-first century.

The Washington Times

FRIDAY, APRIL 17, 1998

... and freer trade for all of America

By Richard L. Bernal

Will the Free Trade Area of the Americas (FTAA) process be delayed by the absence of fast track negotiating authority, or will negotiations start this year? If negotiations do not start shortly, will the FTAA process lose momentum and be overtaken by a proliferation of bilateral and regional initiatives? These are some of the questions that deeply concern the governments and business interests in the Americas.

The process is now at a critical juncture and it will either move forward to actual negotiations or be sidetracked. At the first Summit in Miami in December 1994, the presidents and prime ministers of 34 countries declared their commitment to establish the FTAA by the year 2005.

Since then, there have been extensive discussions at the ministerial, vice-ministerial and working group levels. Only last month at a meeting in Costa Rica, the 34 trade ministers of the hemisphere agreed that negotiations for the FTAA begin before the end of 1998. This week,

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heads of state are meeting in Santiago, Chile to evaluate that recommendation and take the next steps toward implementation of the FTAA.

Many of the initial differences in perspective about what the FTAA should be and how to isolate it have now been resolved and negotiators are finalizing the guiding principles, structure and schedule for the commencement of negotiations. This has been a significant accomplishment given the wide differences in levels of development (ranging from the United States to Haiti) and size of economy (varying from Canada to St. Kitts). Furthermore, views differed on the pace of movement toward the FTAA. Canada has been proposing to accelerate the process, while the MERCOSUR countries believe that there are dangers if the process does not slow down. Meanwhile the small developing countries of Central America and the Caribbean want adequate time to adjust their economies.

The main cause of concern is that the Clinton administration has been unable to secure fast-track trade negotiating authority from the U.S. Congress. Fast track is both an enabling legislative procedure and a statement on U.S. trade negotiating goals and priorities. This authority would permit the U.S. to undertake negotiations on trade agreements, which would

be submitted to Congress to accept or reject, without amendment. This provides U.S. trading partners with the confidence to proceed because it gives the assurance that what is agreed upon in negotiations would not be modified by Congress.

Many observers believe that until Congress grants fast track authority to President Clinton, hemispheric governments will be hesitant to take U.S. positions in the FTAA seriously, and there would be no point in starting negotiations.

While fast track will provide some level of comfort to foreign trade officials in the bargaining process, it is not a prerequisite. Lack of fast track authority at the beginning of negotiations process, is not inimical to the eventual success of the FTAA. Negotiations for the FTAA can commence without fast track authority

being granted to the Clinton administration. Such a situation is not unprecedented. At times during the eight-year Uruguay Round negotiations, the U.S. participated without fast track authority. Yet the U.S. maintained its leadership role in launching and securing the final agreement of the WTO. As the largest economy and market in the hemisphere, the U.S. will remain a major player in the FTAA process, whether or not the

administration is successful in securing fast track before the start of negotiations.

The FTAA process, which is due to be completed by 2005, can certainly proceed for several years without the absence of fast track being a major impediment, as in any event, negotiations are likely to proceed slowly. Moreover, in many areas, the mandate to show "concrete progress" by the year 2000 could be met by the U.S. without fast

track. Some trade actions such as business facilitation in the area of customs automation, may not require new legislation.

However, while it is true that the FTAA negotiations can start and proceed for a while, these efforts can not be concluded without the U.S. negotiating team having the imprimatur afforded by fast track.

The real danger is that those who argue that the absence of fast track will have a dampening effect on the FTAA process may be unwittingly aiding a self-fulfilling prophecy. The FTAA is not the

only option for any of the participating countries or regional groups. If lift-off is stalled it could lead to "trade promiscuity" through the proliferation of bilateral and sub-regional agreements, which may create confusion and suffocate trade with the complexity of regimes and conflicting rules. There is ample basis for such concerns. Between 1992 and 1996, for example, the WTO was notified of 77 new trade agreements.

With or without fast track the U.S. should not underestimate the importance of trade with Latin American and the Caribbean. Trade is now the engine of growth for the US economy. Between 1985 and 1994, export growth accounted for 32.5 percent of overall growth in Gross Domestic Product. More than 42 percent of U.S. exports are shipped to destinations in the Hemisphere. With Latin America expected to grow as much as five percent annually over the next decade, U.S. exports to this region will remain high. Clearly then, U.S. firms and workers will demand full participation by the United States in these historic discussions.

The FTAA process must not stop or wait for the U.S. to have fast track authority. It must go forward with the commencement of negotiations as soon after the Santiago Summit as possible. The heads of governments must accept the recommendations of the trade ministers to begin negotiations by September, 1998. In so doing, they will accelerate a process that will directly benefit the livelihood of the hemisphere's 775 million inhabitants.



The Washington Times

FRIDAY, APRIL 17, 1998

Clinton asks Chileans for patience on trade

Promises to achieve 'fast-track' authority

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — President Clinton pleaded with America's Latin neighbors yesterday to "be patient with us," promising that he will continue to prod Congress for broad powers to negotiate new trade deals and predicting that he will win them after a long debate.

These upbeat comments came on the first day of a Latin American visit that, like his previous stop in the region last October, was largely overshadowed at home by domestic politics.

News conferences by independent counsel Kenneth W. Starr and Paula Jones, who is appealing the dismissal of her sexual harassment lawsuit, overwhelmed attention to his foreign policy.

The president skirted questions about the matters for most of the day and, when he finally did answer, declined to reveal his thoughts.

"I shouldn't be commenting on domestic politics while I'm overseas," said Mr. Clinton, who has done precisely that on many previous forays abroad.

White House officials and reporters sparred throughout the day over access to Mr. Clinton, who scheduled no formal news conference during his four days in Chile.

In the morning, officials offered to allow a newspaper reporter to witness the opening of a meeting between Mr. Clinton, Chilean President Eduardo Frei and their top aides, with the clear understanding that no questions be asked. The officials cited Chilean customs regarding such events, saying it would be unfair for U.S. reporters to ask questions when Chilean journalists are barred from doing so.

This reporter for The Washington Times, who was the designated newspaper representative in the media "pool" shadowing Mr. Clinton at the time, declined to participate under those restrictions. CNN then pulled its cameras and crew from the event.

It was only one of several opportunities for Mr. Clinton to appear on camera yesterday, and a Clinton press aide worked to allow journalists another chance to ask questions. But when that opportunity came during the president's visit to the neighborhood of San Miguel for a roundtable discussion, he ignored questions shouted at him four times.

He finally addressed the matter after a midafternoon speech to business leaders at Santiago's Teatro Municipal.

Domestic politics also have intruded on



AP photos

Hillary Clinton meets Chile's first lady, Marta Frei, after the Clintons arrived in Santiago, Chile, for the Americas summit.

Mr. Clinton's attempts to liberalize trade throughout the Western Hemisphere. Last fall he had to pull his proposal for "fast-track" trade negotiating authority from the House floor after it appeared headed for defeat by opponents who wanted stronger labor and environmental protection.

Chile felt a special sting at the defeat because it was first in line to be added to the North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico.

The issue was the one sour note in a day devoted to celebrating strong U.S.-Chilean relations. Introducing Mr. Clinton at the theater, Mr. Frei said, "We hope very soon the necessary consensus will be reached in his country" for procedures to implement free trade.

Fast-track would allow the president to negotiate trade agreements that Congress would have to vote up or down but could not amend.

U.S. officials said the absence of fast-track will not hinder the launch of talks for a hemispherewide free-trade zone, called the Free Trade Area of the Americas, that is to take place at a 34-nation summit here this weekend. But they acknowledge it has dampened the mood of the negotiations.

Mr. Clinton said the United States has launched trade negotiations before without fast-track authority.

"Before they're done, we'll have it and it will work," he said to applause.

"There is not a majority in either house of the United States Congress for a return to misguided protectionism," the president said, but rather "a continued and vibrant debate" about how to make sure all citizens benefit from free trade.

"So be patient with us," he said, citing Winston Churchill's quip that the United States always does the right thing "after having exhausted every other alternative."

The talks will include a committee on labor and environmental concerns, which opponents say are being ignored in the race to open markets and cut deals.

The Washington Times

FRIDAY, APRIL 17, 1998

Tear down that trade wall

That giant sucking sound you hear these days, to paraphrase Ross Perot, is the sound of Latin American countries absorbing U.S. goods. Between 1988 and 1997, the Heritage Foundation reports, the value of made-in-America products has risen from \$46 billion to more than \$134 billion. If you listen closely, you may also hear the sound of U.S. job creation to handle all those exports. They support almost 3 million American jobs.

This weekend, President Clinton is scheduled to participate in the Second Summit of the Americas in Santiago, Chile, which, in another time, would have been the perfect occasion to expand trade with that part of the world. Four times since 1990, the United States has pledged that Chile would be the next member of the North American Free Trade Agreement with Canada, Mexico and the United States. President Clinton himself did so at the first summit held in 1994 in Miami, Fla.

But since that time, free-trade advocates have fallen on hard times. Mr. Clinton arrives in Santiago without so-called fast-track authority, the power to negotiate trade agreements that Congress must vote up or down rather than rewrite. Without that authority, other countries have little incentive to negotiate a deal they know U.S. lawmakers can tweak to death.

Mr. Clinton's failure to obtain fast-track has emboldened protectionists on both sides of the political spectrum. Organized labor, on whom Democrats rely heavily for financial and political support, has wielded its opposition like a club on the left. On the right, Pat Buchanan has once again sounded the call for his brand of "economic nationalism." The title of his new book, "The Great Betrayal: How American Sovereignty and Social Justice Are Being Sacrificed to the Gods of the Global Economy," speaks for itself.

It calls, among other things, for the abolition of the income tax and its replacement by tariffs on foreign goods.

Editors here are second to none in their dislike of the income tax, but replacing it with yet another tax, which has the added disadvantage of being largely "invisible" to those who pay it, is hardly a solution. Import tariffs, duties and quotas are a tax on U.S. jobs. They are a tax on economic growth. And they are a tax on consumer choice.

Understanding the nature and effect of tariffs is critical to understanding what's wrong with protectionism. As protectionists see it, trade is something that nations do: The U.S. gets so many widgets from Chile in return for sending so many gizmos to Chile. One tallies up the balance of trade between the two and names the winners and losers accordingly. Since this country buys more goods and services from Chile than Chile does from us, well, Chilean goods must be taking over U.S. markets. Hence it wins the war of economic nationalism.

The other, more accurate, way of regarding trade is as a transaction between individual buyers and sellers. If Americans, looking over the array of goods and services, decide they want to buy Chilean fruit or Japanese cars, they are free — or should be free if individual liberty still matters here — to do so.

If we want to ensure that American products and services are the best in the world, the very worst thing we could do would be to protect them from competition. That's an invitation to complacency and sloth. What Mr. Clinton should be doing in Chile is promoting still more competition by tearing down tariff walls, then giving consumers everywhere their choice, one consistent with the individual liberties this country has long upheld.

The Washington Times

FRIDAY, APRIL 17, 1998

Stock market mania doesn't trickle down

In the past two weeks, the Dow Jones Industrial Average has hit several all-time highs. First it passed the 9,000 mark, then it passed 9,100, though it went down Thursday to 9076.

In the first quarter of 1997, the stock market has grown by a whopping 15%, just a quarter less than the annual growth rates we've experienced in the past three years. This growth is a sign of a robust economy.

For many, especially those who have stock or mutual fund investments, this is cause for celebration.

But what is good for Wall Street doesn't always trickle down to Main Street, or the side street.



Commentary

By Julianne Malveaux

Half of all Americans have direct or indirect investments in the stock market. Many have watched their portfolios grow because of 401(k) pension plans that their employers offer.

What about the other half? Half of all Americans don't have pension plans and will rely on Social Security and personal savings for their old age. Some will have scant savings to rely on. They are the workers who barely make ends meet, let alone save. To these workers, a soaring stock market means little. Among those on the periphery are the 10 million workers who earn the minimum wage of \$5.15 per hour, or about \$10,700 a year if they work full-

time, all year. More than half of these workers are women; about half of the women who earn minimum wage head households and have wages well below the poverty line.

A minimum wage boost to \$6.15 per hour, as proposed by Sen. Edward Kennedy, D-Mass., would put their wages at \$12,800 a year. Some economists call minimum-wage increases inflationary, but even if they are right, what better time to risk a little inflation than in a robust economy where there is disinflation (or falling prices) in some sectors? With the unemployment rate at 4.7% (which translates into more than 9% for African-Americans), concerns about the unemployed have all but dissipated. Instead, employers are grouching about how difficult it is to find "qualified" workers. Of course, many of those who can't find workers don't want to pay higher wages. One of the ugly secrets about our robust economy is that wages have inched up far more slowly than stock prices, rising about 2% this past year.

For all the hoopla about our robust economy, the average worker earns about \$12 an hour, and more than 75% of all women still earn \$25,000 a year or less.

The healthy stock market and rising Dow Jones Industrial Average are plenty cause for economic optimism. But there are millions on the outside looking in at this celebration. Unemployment, low pay and an absence of employee benefits are still challenges for millions of workers.

Now that our economy is so robust, perhaps we can take on these challenges.

Julianne Malveaux is a nationally syndicated columnist.

Clinton and Castro in the Summit's eye

As 34 countries from Canada to Chile hold their second Summit of the Americas in Santiago this weekend, attention is focused on these two heads of state, one present, one absent:

► Bill Clinton, for his failure to get "fast-track" trade legislation renewed by Congress since it expired in 1994. That has huge impact on our trade dealings with the other Americas.

► Cuba's Fidel Castro, who now is doing near-normal business with every other country in the Americas but continues to be ostracized by the USA. Clinton banned Castro from the Santiago meetings, as he did at the first such summit in Miami four years ago.



Plain Talk

By Al Neuharth

USA TODAY FOUNDER

You can expect official communiqués out of Santiago to stress feel-good feelings. But the fact is that most leaders now consider the goal of free trade between all of the Americas by 2005 unlikely.

Most Latins also feel that the USA's attitude toward Cuba is outdated and outlandish. They believe Clinton is bullying Castro to pander politically to Cuban exiles in Florida.

When President John F. Kennedy imposed sanctions on Cuba after the Bay of Pigs in the '60s, he had overwhelming support in the USA and the other Americas. Castro's Cuba was a communist ally of the USSR and a military threat 90 miles from our border.

But with the collapse of the Soviet Union, Castro became at most a nuisance, certainly not a threat. The other Americas have recognized that. The USA has not.

If the Americas are to compete with Europe and the Pacific after the turn of the century, we must lower all barriers from Alaska to Argentina, including Cuba.

This week's Santiago summit makes it timely to recall the comments of the U.S. ambassador to Chile, Gabriel Guerra-Mondragon, when I visited him there last month: "We're all in the same boat. We will sink or swim together."

Clinton should take that as his cue in Santiago this weekend.

FEEDBACK

Other views on Castro

"It is wrong to suggest that Castro's Cuba should be an exception to Mr. Clinton's hemispheric pro-democracy policy. Mr. Neuharth means well, but the main obstacle to lifting the embargo is not the Cuban-Americans, but Castro's behavior."

— Frank Calzon, executive director, Center for a Free Cuba

"U.S. policy toward Cuba is outdated and counterproductive. It is opposed by the pope, the U.S. Chamber of Commerce and virtually every other government in the world, including some of the most conservative. Obviously, something is wrong, but that doesn't seem to have dawned on the Clinton administration."

— Wayne S. Smith, senior fellow, Center for International Policy, and former chief State Department official in Havana

Al Neuharth's column appears on Fridays.

LOS ANGELES TIMES

(first-edition) Page 1 for Friday, April 17, 1998:

Top of page:

Col 1: The Vatican, opening up its archives into the Roman Inquisition for the first time, also may be opening up a can of worms. (INQUISITION, moving Friday.)

Col 2: The Defense Department struggle with Illinois community leaders over plans to destroy obsolete napalm there is not an isolated case; across the United States, the military is treading through a minefield of potential opposition as it tries to get rid of all sorts of explosive or toxic materials that no longer have any utility. (NAPALM-WASTE, moved.)

Cols 3-5: Wild art of President Clinton in Chile.

Col 6: Local telephone snafu. (UNLISTED, upcoming.)

Above fold:

Col 2: Independent Counsel Kenneth W. Starr says that because his investigation "has expanded considerably and the end is not yet in sight," he is withdrawing from positions promised him at Pepperdine University. (STARR-TIMES, moved.)

Cols 3-4: A revolutionary way to combat deadly antibiotic-resistant "superbugs" has been developed by researchers at the University of California, Davis, perhaps paving the way for a new class of drugs to supplement antibiotics. (STAPH, moved.)

Col 5: China recently rebuffed an American arms-control proposal that it should join the main international organization for limiting the spread of missile technology when President Clinton visits Beijing this summer, senior Clinton administration officials say. (CHINA-POLICY, moved.)

Below fold:

Bottom of page:

Cols 1-2: Local political story.

Cols 4-6: Pol Pot, a former teacher and lover of poetry who emerged from the jungles in 1975 to lead the Khmer Rouge's campaign of terror and mayhem in Cambodia, dies what is a fitting death: alone, betrayed by his closest allies, reviled by the world. (CAMBODIA-TIMES, moved.)

Clinton, Chilean Leader Sign Accords on Climate, Economy (Santiago) By Jonathan Peterson (c) 1998, Los Angeles Times
SANTIAGO, Chile President Clinton launched his four-day Chilean visit Thursday by agreeing with President Eduardo Frei to cooperate on climate change, financial-market stability and other issues in a global economy.

But it was on a more down-to-earth level that Clinton sought to explain the ties that bind Chileans and Americans on issues such as schools, child care, jobs and access to credit. "Working families, in that sense, from Santiago to San Diego may not be all that much different," Clinton said in a speech to business leaders.

To his disappointment, the globe-trotting president who just two weeks ago was on a 12-day tour of Africa came to Chile having failed to get Congress to award him powers to make trade deals that would be immune from tinkering on Capitol Hill.

U.S. critics, who have denied Clinton the "fast track" authority, fear that unfettered global commerce would lead to the exploitation of workers and the environment, while the White House has said such power is crucial for America to remain a leading example in global trade policy.

"Be patient with us," Clinton told about 800 business leaders in a downtown Santiago theater, pledging his commitment to gaining "fast track" authority. "There is not a majority in either house of

the United States Congress for a return to misguided protectionism."

Clinton's trip here has two distinct parts a state visit, which ends Friday, then the Summit of the Americas, on Saturday and Sunday. At the summit, hemispheric political leaders will wrestle with issues of trade, anti-narcotics enforcement and widespread poverty that continues to jeopardize reforms.

"Never before have the Americas been so united in values, interests and goals," Clinton told the business audience, alluding to the widespread move toward free-market economies and political liberalization in a region home to brutal dictatorships not long ago. "We have to keep that in mind as there are bumps along the way ..."

Clinton's day began with a ceremonial airport arrival, followed by a helicopter ride to Santiago and a motorcade to the La Moneda presidential palace, where he and Frei signed a series of accords.

In their vaguely worded agreement on climate change, the leaders agreed that industrialized nations, such as the United States, should reduce greenhouse gas emissions "as a matter of priority."

And in a bid to handle one of the thorniest aspects of the issue concerns that the cost of fighting pollution would hinder the prosperity of poorer nations Clinton and Frei cited the importance of "market mechanisms" in promoting clean air and in fighting climate change.

Such mechanisms, while not spelled out, are meant to ease the financial burden on developing countries in combating global warming. They could mean that advanced nations would receive credit toward emissions-reduction goals, for instance, by investing in clean-air technologies in poorer nations overseas. The United States and Argentina reached a similar accord last October.

"I know this is a matter of some controversy throughout Latin America, and indeed, throughout many developing nations," Clinton said at the presidential palace.

Picking up the theme later, in his address to business leaders, he knocked the notion that there was "some dark conspiracy to hold others down" through a global-warming deal. "In the first place, that's bad economics, because the United States should want all of our trading partners to get wealthier," he said. "That is what is in our interest."

The leaders also agreed to cooperate in building a climate forecasting system for the Americas, aimed at limiting the disruptive effects of El Nino.

While the Asian financial crisis has prompted jitters about the interlinked global financial system and the disruptive effects of emerging markets, Clinton Thursday described South America as a successful contrast to Asian nations that have suffered capital flight. "In general," he said, "Latin America has grown so strong that I think even a lot of you are probably surprised that this region has weathered the shock of the Asian financial crisis as well as the region has."

But he also noted that financial progress has not meant the end of inequities in a region with 150 million in poverty, urging South Americans to improve education as a social equalizer. He and Frei agreed on exchanges of students and teachers and other areas of educational cooperation.

Leaders to Consider Free Trade Pact for Western Hemisphere By Chris Kraul (c) 1998, Los Angeles Times

President Clinton and 33 other heads of state will gather this weekend in an unprecedented effort to create the world's largest free trade zone and economically integrate the Western Hemisphere.

The two-day Summit of the Americas, which opens Saturday in Santiago, Chile, is the first time in more than three years leaders representing 800 million people in the hemisphere have met under one roof. And trade, not surprisingly, is the magnet that's drawing them together.

Clinton and his peers are expected to launch what is expected to be a grueling seven-year negotiation process to draft the Free Trade Agreement of the Americas, which would effectively extend the North American Free Trade Agreement to include South America and the Caribbean. Any pact would have to be approved by the U.S. Congress.

U.S. government and business interests want free trade because they are increasingly cognizant of Latin America as a huge and largely untapped market, especially south of Mexico, and that a free trade agreement could help them exploit it. Latin American exports

are growing at a 22 percent annual rate, more than twice the growth of European exports.

Latin American countries want an accord that would open up the rich U.S. market, which in some areas is now closed to them, especially agriculture. "All the countries want it, so it will move forward," said Sidney Weintraub, a political economist at the Center for Strategic and International Studies in Washington, D.C.

No one expects the negotiations to go smoothly. Clinton was handed a setback last fall when Congress denied him "fast track" negotiating authority, a blow that dimmed U.S. leadership and confused trading partners. The loss killed chances of Clinton negotiating an expansion of NAFTA to add Chile to the United States-Mexico-Canada troika.

The biggest hurdle for Clinton in negotiating hemispheric free-trade provisions could be U.S. labor, which has made it clear it will not support a trade agreement that does not protect American workers and the environment.

"Our concern is that capital will seek the easiest worker to exploit and the easiest environment to despoil as (companies) seek lower costs," said David Smith, public policy director for the AFL-CIO in Washington.

And not all South American countries are equally enthusiastic supporters of a free-trade agreement. Brazil, with its still protected economy, is on the record saying it's in "no hurry" to join the pact and has even floated the idea of a "Safta," or South American Free Trade Agreement, that would exclude the United States.

The waters have been muddied by a growing number of bilateral trade agreements within Latin America and with outside countries a process than began in the early 1990s but has accelerated in the past year since Clinton's fast track initiative ran aground. Some of the deals, including a Chile-Canada zero-tariff accord, have already hurt U.S. producers, notably wheat farmers.

Peru has joined the Asia Pacific Economic Cooperation forum, for example, and Chile has signed on as an associate of the Mercosur trade block, which already includes Brazil, Argentina, Paraguay and Uruguay and is holding discussions on its own with the European Union.

The danger for U.S. trade is that these arrangements could lead to "privileged treatment" for European or Asian trading partners, said Peter Smith, a political scientist in the Latin American studies department at the University of California, San Diego.

Still, most observers expect the Free Trade Agreement of the Americas to become a reality in 2005, based on the growing consensus worldwide that free trade boosts economic growth and creates better paying jobs although often at the cost of short-term dislocations. Weintraub said export related jobs pay 13 percent better than those geared to domestic markets.

Backers of the Free Trade Agreement of the Americas point to trade gains generated by NAFTA, which took effect in 1994. U.S. exports to Mexico last year reached \$71.4 billion, up 76 percent from 1993 levels, and Mexico's export-related jobs have boomed. Mexico last year surpassed Japan as the second-largest U.S. export destination after Canada.

NAFTA disappointments include a ballooning U.S. trade deficit with Mexico that totaled \$14.5 billion in red ink last year, a reversal from pre-NAFTA trade surpluses. Environmentalists have also decried NAFTA's failure to meet its stated goal of raising environmental standards along the border.

But the historical tide, in this hemisphere at least, seems to be sweeping market barriers away.

Countries throughout South America are privatizing inefficient state-run industries and opening the gates to foreign investment, creating enormous opportunities for U.S. industry. That's a major reason for the 22 percent growth rate in U.S. exports to Latin America.

That growth comes despite average Latin America tariffs of 12 percent. So, the elimination of those tariffs in the FTAA should create an even better market for U.S. heavy manufacturers, consumer goods marketers and service providers.

Free trade is not a one-way street and Latin American countries, including Brazil and Chile, say an accord must ease access to the U.S. markets that are protected, especially agriculture.

They want an agreement that would do away with the "contingent protection" tariffs, such as arbitrary anti-dumping penalties that they say the United States has imposed to protect citrus and sugar producers. Mexico is also a heavy user of such anti-dumping measures.

As envisioned, the FTAA would take NAFTA a step or two further. Latin American countries are pushing for provisions that would open billions of dollars of U.S. government procurement contracts to foreign bidders.

Fast-track authority would have given the Clinton administration the power to negotiate the Free Trade Agreement of the Americas and then present an all-or-nothing package to Congress for approval, without any possibility of last-minute amendments. The absence of fast track means that the negotiating process will continue in Congress, subjecting individual provisions to political scrutiny.

"Without it, the U.S. is not going to be in a strong negotiating position," said Colleen S. Morton, vice president of the Institute of the Americas, a Latin American policy think tank on the UC San Diego campus. "My fear is that without progress in the form of interim agreements by, say, the year 2000, the whole process could just die away, lose momentum."

China Rejects U.S. Invitation to Join Missile Control Group (Washn) By Jim Mann (c) 1998, Los Angeles Times

WASHINGTON China recently rebuffed an American arms-control proposal that it should join the main international organization for limiting the spread of missile technology when President Clinton visits Beijing this summer, senior Clinton administration officials say.

By not becoming a member of the 29-nation group, known as the Missile Technology Control Regime, China retains the ability to sell some components or technology for ballistic missiles to countries such as Pakistan and Iran.

Administration officials had hoped an agreement bringing China into the group could be the centerpiece of Clinton's trip in late June. A separate accord on nuclear cooperation was the focal point of Clinton's summit with Chinese President Jiang Zemin in Washington last October.

But now that the idea has fallen through, administration officials are exploring other themes and lesser deals that might be highlighted when Clinton goes to China. One point administration officials say they will stress, for example, is that Clinton's trip will be the first chance for a top-level meeting with China's dynamic new Premier Zhu Rongji.

The unsuccessful U.S. initiative on missiles came in a late March visit to Beijing by John Holum, director of the U.S. Arms Control and Disarmament Agency. He and other administration officials laid out a proposal under which China would become a full member of the missile control group soon, and, in exchange, would gain greater access to American commercial space technology, senior U.S. officials said.

But China showed no enthusiasm for such a deal. Instead, U.S. officials say, Chinese officials repeated to Holum their long-standing objections to joining the group. They said they would be happy to get more American space technology but not if it were linked to membership.

China has said the missile group amounts to a Western club, imposing export rules that Beijing had no role in drafting. Chinese officials also have argued that it is unfair for the United States to seek limits on missile technology, while America itself exports F-16 jet fighters that might also be used to deliver weapons of mass destruction.

For more than a decade, U.S. officials have been trying to persuade China to stop exporting missiles or missile technology to the Middle East. The American efforts began when U.S. intelligence discovered that China had sold intermediate-range missiles to Saudi Arabia and was preparing to sell advanced, solid-fuel missiles to several other countries.

On several occasions, the Reagan, Bush and Clinton administrations have won commitments about missile exports from Beijing, only to discover later on that China was continuing to help other nations' missile programs.

Some administration critics say the attempt to bring China into the missile accord was a bad idea. They argue that China would not obey the rules anyway and that by promising to give China greater access to U.S. commercial space technology, the administration would have been giving away more than it was getting.

"I think it's a good thing the Chinese didn't agree to join," said Gary Milhollin of the Wisconsin Project on Nuclear Arms Control, an independent anti-nuclear group. "If they did, we would have dropped the barriers to (American) exports to China, when there

Clinton tests summit speech on Chile

Tries to smooth over issue of free trade

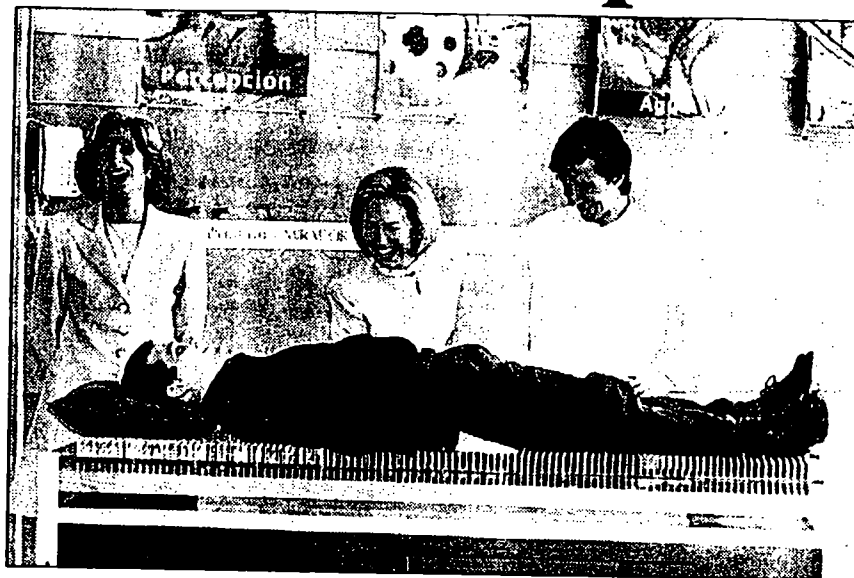
By Bill Nichols
USA TODAY

SANTIAGO, Chile — President Clinton used his state visit to Chile on Thursday to preview the prescription for continuing democratic growth in Latin America that he will stress when the second Summit of the Americas opens here this weekend.

But the president also tried to smooth over a troublesome summit subject — a congressional impediment to negotiating a free-trade zone in the hemisphere that also kept Chile out of the North American Free Trade Agreement.

Clinton asked Chileans to "be patient with us" as his administration tries to build support in Congress for approving fast-track trade authority, which failed to pass last fall. The authority would allow a president to negotiate trade deals that cannot be altered by Congress, only approved or voted down. Last year's defeat scuttled White House plans to include Chile in NAFTA, a free-commerce zone in which the United States, Mexico and Canada already take part.

Administration officials say the United States will need fast-track authority to be able to complete negotiations for a free-trade area throughout the Americas by 2005. Those negotiations are scheduled to be officially launched at this weekend's summit.



In Santiago: Chile's first lady Marta Larraechea, left, and Hillary Rodham Clinton observe a man on a nail bed at an interactive museum Thursday.
By Jaime Razuri, Agence France-Presse

Clinton told an audience of Chilean and U.S. business leaders he was convinced that Congress will not return to "misguided protectionism" and promised that before hemispheric free-trade negotiations conclude, the United States will have fast-track authority.

"We'll have it and it will work," he said. But in Congress, approval is seen as unlikely this year.

Clinton's larger point, however, was a push for emerging democracies to stay on track. It's an idea he'll stress this weekend when he meets with 33 other

heads of state for the sequel to the 1994 Summit of the Americas in Miami.

Clinton lauded Chile's emphasis on education, legal reforms and pollution curbs as a model for other emerging democracies in Latin America.

Once ruled by a brutal military junta, Chile "has become a leader in our hemisphere and an even stronger partner and friend for the United States," Clinton said, praising the country's "astounding record" of economic growth.

In an interview published Thursday in newspapers in Argentina, Brazil, Co-

lombia, Mexico and Chile, Clinton also stressed the need for "second-generation" reforms for other emerging Latin American democracies. "We need to show that democracy and free markets can make a tangible difference to the lives of common people," Clinton said in written responses to questions submitted by six newspapers. "That means going beyond elections and market reforms to education, the rule of law, health care and labor rights."

The president and first lady Hillary Rodham Clinton arrived here early Thursday after an all-night flight from Washington. They spent the day touring the cautiously democratic Chile that has gradually emerged from the shadow of Gen. Augusto Pinochet's 17 years of authoritarian rule. Clinton and Chilean President Eduardo Frei issued a joint statement then toured Frei's old Santiago neighborhood, visiting a local ceramics factory and taking part in a round table with local entrepreneurs.

Today Clinton travels to the coastal city of Valparaiso to address a joint session of the Chilean legislature. Pinochet, who stepped down from the Chilean military last month to become senator-for-life, has indicated he might be in the audience. Chilean officials indicated Pinochet would not attend; Clinton aides said they had received no final answer.

Clinton's speech might be controversial, aides said, because it would not contain the anti-Pinochet references that some Chilean human rights activists wanted.

Clinton Stresses Benefits of Open Markets

President Opens Latin American Visit With Praise of Chile's Economic Strides

By THOMAS W. LIPPMAN
Washington Post Staff Writer

SANTIAGO, Chile, April 16—At the same presidential palace where socialist President Salvador Allende died in a CIA-encouraged military coup nearly 25 years ago, President Clinton today hailed the "tides of change" that have converted Chile into a "partner and friend for the United States."

Clinton met at La Moneda palace with Chilean President Eduardo Frei at the start of a state visit focused on themes similar to those he pursued last month in Africa—trade, education, the environment and access to credit for aspiring entrepreneurs.

With Chile and other Latin American states, as with Russia, Vietnam and Angola, Clinton has sought throughout his presidency to dismantle the sour legacy of the Cold War and rethink the nature of U.S. relations with other countries. As he travels the world now, Clinton the president sounds much like Clinton the candidate stumping the United States in 1992, stressing economic opportunity rather than strategic alignment as the key to stability. In Frei, he said, he has found a leader who fully shares his views.

Clinton praised "the astonishing record established by Chile in the last few years in economic and political terms." Frei said his visit to Washington last year and Clinton's reciprocal visit here "reflect the new level of maturity that relations between our two countries have achieved."

Clinton said the transformation of this key South American country is virtually complete, as Chile "has set an impressive standard in strengthening its democracy, opening its economy [and] lifting its people from poverty."

The two presidents referred only indirectly to the long period of strained relations between their countries that followed the 1973 coup. Clearly understood, if unstated, was that Chile's relations with the United States began to change only after Gen. Augusto Pinochet, the man who overthrew Allende and seized power with U.S. backing, stepped aside in favor of civilian rule in 1990 following a dictatorship marked by both economic transformation and human rights abuses.

Pinochet, who remained commander of the Chilean armed forces until February and has since been appointed a senator for life, may be in the audience Friday when Clinton addresses the Chilean Congress in the port city of Valparaiso. "I can assure you the speech will be the same whether he's there or not," White House national security adviser Samuel R. "Sandy" Berger said.

Clinton mostly stressed the future, not the past, pressing his unwavering theory of international relations: that economic expansion through open markets is the key to prosperity and stability, and that

SUMMIT, From A25

ways must be found to ensure that the economically disadvantaged are not left out.

As in Russia and much of Africa, senior officials said, democracy has taken hold in every country of the Western Hemisphere except Cuba but remains fragile in those where people have not felt its benefits. The next step, or "second generation" of issues, is to demonstrate that democracy can deliver jobs, health care

and education to ordinary people.

"Harnessing the forces of globalization to work for all our citizens is literally a challenge to every nation in the world," Clinton said in a speech to a business group this afternoon. "A rising tide does not necessarily lift all boats. People without the right education, without training, without skills, without bargaining power can be stranded on yesterday's shore."

He and Frei issued a statement in which they agreed to expand bilateral cooperation on education, including

development of bilingual computer software and increased student exchanges, and to support similar initiatives at a hemispheric summit conference that begins here Saturday.

The president restated his determination to obtain from Congress the "fast-track" negotiating authority he seeks to complete the hemisphere-wide free-trade agreement on which negotiations will begin here this week. Congress has so far refused to give Clinton authority to negotiate an agreement that would not be subject to amendment, but he said today that

"before [the negotiators] are done, we'll have it, and it will work."

Clinton and Frei also signed a joint declaration affirming Chile's commitment to reducing emissions of greenhouse gases, which many scientists say are causing a potentially harmful warming of the Earth. At the same time, Clinton challenged what he said is a widespread belief "that poor countries cannot become rich countries without emitting more greenhouse gases."

There is no plot by the industrial-

ized nations to "hold others down," Clinton said. "For 30 years, every time we have sought to improve the environment, we heard from someone who stood up and said, 'If you take this step to clean the air, to clean the water, to improve the health of the food supply, you will cost jobs and hurt the economy.' And for 30 years every single step we have taken to improve the environment has helped the American economy."

With today's statement, Chile became the second Latin American country to endorse—albeit vague-

ly—the concept of emissions-reduction targets for developing countries. White House officials are hoping to secure specific commitments from key developing countries over the coming months as a way of softening resistance in the Senate to ratification of the international climate treaty signed in December in Kyoto, Japan.

The Washington Post

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See SUMMIT, A27, Col. 1

IN THE LOOP

Al Kamen

Blumenthal, Champion of Free Press

Press freedom is on the agenda for **President Clinton's** summit meeting in Chile this weekend, and the administration point person on the issue is none other than White House communications guru **Sidney "Grassy Knoll" Blumenthal**.

Blumenthal, though maligned by many of his former journalist colleagues—see the latest *Vanity Fair*—emerged triumphant from the grand jury here to proclaim that he wouldn't be intimidated by independent counsel **Kenneth W. Starr** from speaking to reporters.

And insiders insist Blumenthal deserves credit for pushing the important issue of press freedoms—reporters in Latin America often get killed for what they write—on the trip.

Still, some covering a recent news conference on the issue found it odd to see Blumenthal, said to be big for executive privilege these days, extolling open government down south. "Transparency is the cure for impugnty," he told the gathering, adding it was "important to shine the light of publicity" on evil-doing in those countries.

And some uncharitable folks recalled Blumenthal's libel suit against Internet gossipmeister **Matt Drudge** as Blumenthal inveighed against any interference with freedom of expression.

Rossello's Revenge

Well, if Blumenthal lacks any bona fides for his new role, our favorite First Amendment champion, Puerto Rico Gov. **Pedro Rossello**, also on the trip, might take up the slack. Rossello was last seen bludgeoning the island's major paper into submission after getting some negative press. Rossello's methods—withdrawing government advertising and allegedly trying to punish corporations linked to the paper—are at least less brutal than the assassination strategies apparently favored by some governments in Latin America.

Matters of State

Speaking of Latin America, it's looking more and more like **Peter F. Romero**, now No. 2 in the State Department's Latin America hierarchy, will be tapped after the trip to be assistant secretary for that region. This leaves an opening at the Office of International Narcotics and Law Enforcement Affairs, or "Drugs and Thugs," where Romero had first been penciled in. **Rand Beers**, former National Security Council senior director of intelligence programs and now acting INL director, is the favored insider. But there's some talk of going outside to fill the job.

No Airlift for Clinton

And speaking of foreign travel. . . Looks like President Clinton won't be riding in a B-29 used in the Berlin Airlift when he goes to Germany in May to celebrate the 50th anniversary of the campaign to keep West Berlin afloat in 1948.

One thought raised at a recent planning meeting was: Wouldn't it be nifty if the president

arrived in one of these old buckets of bolts sitting around Templehof airport on display? The notion was quickly shot down, if you will, because the Secret Service undoubtedly would have declared it *verboten* for the Leader of the Free World to fly in anything but Air Force One.

Angling for Openings

Still no white smoke on some key job openings. At Interior, there was some buzz last Friday when **T.J. Glauthier**, associate director for natural resources of the Office of Management and Budget, showed up for a private meeting with Secretary **Bruce Babbitt**. Glauthier is said to be eyeing the deputyship job. There's also talk about two Western Democrats, former Wyoming governor **Mike Sullivan** and former Montana representative **Pat Williams** as possibilities.

At Energy, Deputy Secretary **Elizabeth Moler**, with outgoing Secretary **Federico Peña's** endorsement, appears to have an inside track, but that one isn't over. There's been talk of United Nations Ambassador **Bill Richardson** moving over to be Energy secretary, a job he was a finalist for a while back.

Relations between Richardson and Secretary of State **Madeline K. Albright** are, let's say, less than loving, and he might be itching to move on. Also, the Energy slot would be a better launch pad for any political bid. But word is Richardson is happy where he is.

Meanwhile, there are rumors racing through the administration and the Hill that soon to be unemployed Fannie Mae Chairman **Jim Johnson** might be a replacement at Treasury for Secretary **Robert E. Rubin**, who's been long been rumored to be Wall Street-bound. Not anytime soon, says Rubin. And not back to Wall Street.

Fannie Mae spokesman **John Buckley** said "this is one of those periodic rumors that flare up from time to time," and it's been out there since 1993. It's coming around again now, he said, "because there's a perception of availability" of a job at Treasury.

Joining the GOP

Highly regarded New York Daily News congressional reporter **Thomas Galvin** surprised a number of colleagues by giving up the alleged profession for Policy Impact Communications, an operation started last year by **Ed Gillespie**, a former aide to Rep. **Richard K. Armey** (R-Tex.), and by former National Republican Committee chief **Haley Barbour**.

Also in the GOP ranks, **Karen Johnson**, deputy chief of staff for RNC co-chair **Pat Harrison** and former communications director for RNC co-chair **Evelyn McPhail**, and before that, head of media relations for C-SPAN, is the executive director of Pioneer PAC, House Budget Committee Chairman **John R. Kasich's** political action committee.

The Washington Post

FRIDAY, APRIL 17, 1998

Clinton Urges Latin America to 'Be Patient' on Free Trade

By JOHN M. BRODER

SANTIAGO, Chile, April 16 — President Clinton pleaded with the leaders of Latin America today to be patient with the United States as it conducts a painful internal political debate over the merits of free trade throughout the hemisphere.

Mr. Clinton, in Chile for a Latin American summit meeting dedicated to creating a hemispheric duty-free shop from the Yukon to Tierra del Fuego, felt compelled to explain Congress's refusal last fall to grant him unlimited trade negotiation authority, known as "fast track."

In a speech to an international business audience here today, Mr. Clinton acknowledged that he had so far failed to persuade a majority in Congress of the benefits of free trade with the other nations of the hemisphere. The United States currently has a free-trade pact with Mexico and Canada.

Mr. Clinton said that ultimately the United States would not walk away from the "colossal opportunity" presented by the so-called Free Trade Area of the Americas, which is supposed to be in place by 2005.

Mr. Clinton quoted Winston Churchill, who said, "The United States invariably does the right thing, after having exhausted every other alternative."

The President said: "So be patient with us. So just stay with us. We'll get there."

Mr. Clinton's remarks set the tone for this visit, which American officials said marks a maturation of the United States' relations with its neighbors, which have veered over the decades from military intervention to not-always-benign neglect. By opening the trip with an explanation and implied apology, Mr. Clinton hoped to establish a dialogue of equals, officials said.

Mr. Clinton said he would continue to press for approval of fast-track authority, under which Congress can approve or reject proposed trade treaties negotiated by Mr. Clinton, but cannot amend them. The Presidential authority is considered crucial

to achieve trade breakthroughs because other countries will be reluctant to negotiate trade deals with the United States if they feel Congress will change the terms after an agreement is reached.

A bill granting Mr. Clinton fast-track authority was withdrawn last November after Democrats in Congress said they were not persuaded that the trade deals the President is proposing would provide adequate protection for workers and the environment.

The start of the complex seven-year trade negotiations is the centerpiece of the President's four-day visit to Chile.

The first two days of the trip are dedicated to a state visit to Chile and talks with President Eduardo Frei. This weekend, 34 of the 35 countries of the hemisphere, with the exception of Cuba, which was not invited, will convene in a hemispheric summit meeting to celebrate the spread of democracy and an era of exceptional economic expansion.

Mr. Clinton and Mr. Frei, at a joint appearance today, announced that they would work together to reduce emissions of greenhouse gases that lead to global warming. They also announced cooperative efforts on education, disaster preparedness and anti-drug programs.

Mr. Clinton is to speak at a joint meeting of the Chilean legislature on Friday. To the relief of American officials, Gen. Augusto Pinochet, a lifetime member of the Senate, signaled today that he would not be present. American officials had feared that the appearance of the 82-year-old general, who led an authoritarian regime here from 1973 through 1990, would be a distraction from Mr. Clinton's message of hope, growth and democratic development in Latin America.

Samuel R. Berger, the national security adviser, said Mr. Clinton would not alter his remarks on democracy and human rights, whether General Pinochet was in the audience or not. The operative theory of the trip appears to be that meeting and talking, even if with only modest achievements, are in themselves important benchmarks in the march toward hemispheric economic and political integration.

The official line is that the President does not need fast track to begin the negotiations for the Free Trade Area of the Americas, to which the democratic nations of the region committed themselves at the first modern Latin American summit meeting, in Miami in December 1994.

Charlene Barshefsky, the United States trade representative, said Washington had arranged the talks in its own interest, setting out their terms at the beginning, and had assured itself the co-chairmanship of the talks at the end stage of the negotiations five years from now.

In a briefing before leaving Washington, she brushed off concerns that in the interim Latin American nations will bypass the United States and form regional trade groups that will create economic ties with Europe and Asia and put American exporters at a disadvantage.

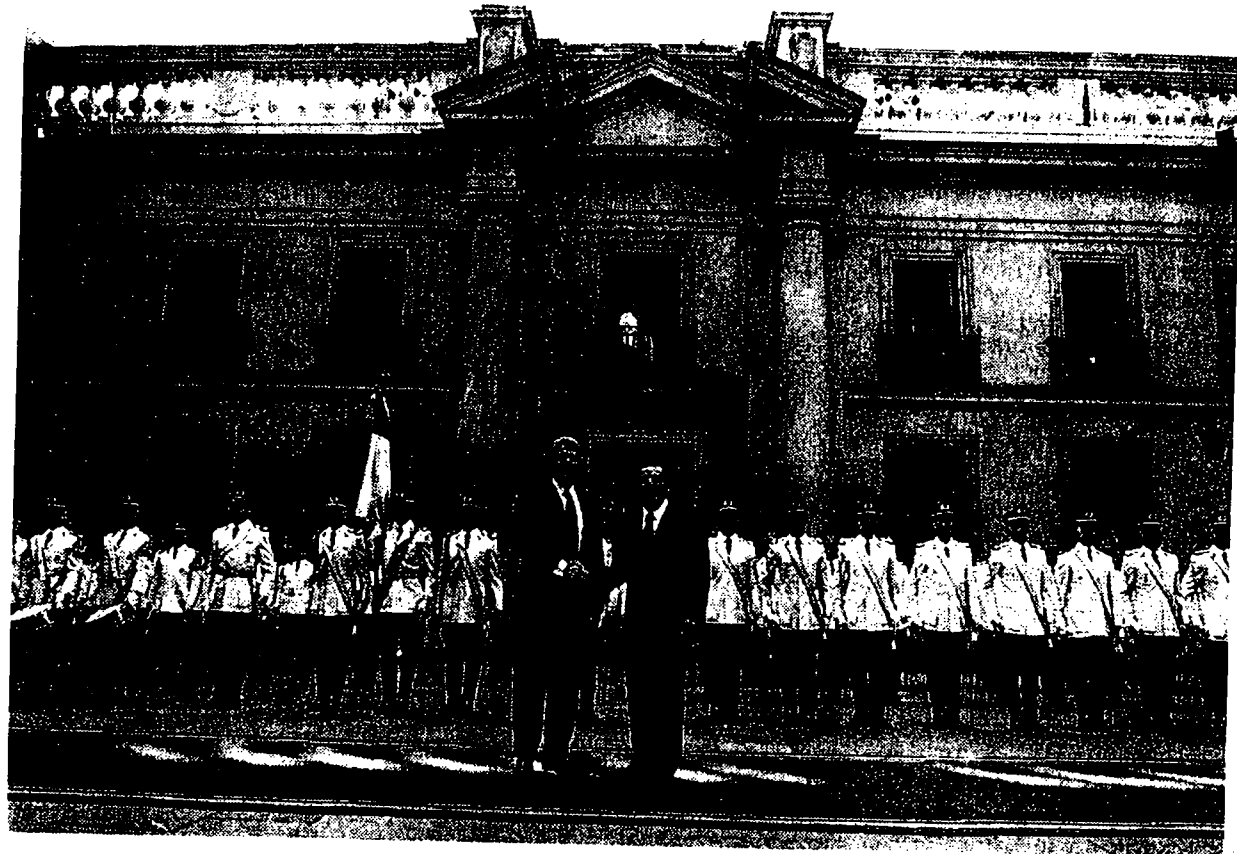
Ms. Barshefsky said those regional trade deals are not "an overly positive development" for the United States. But she said the Latin American nations would ultimately have to accommodate United States trade terms if they want unrestricted access to the immense American market for goods and services.

The New York Times

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The New York Times

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Reuters

President Clinton is in Chile for a Latin American summit meeting dedicated to creating free trade throughout the hemisphere. He met Chile's President, Eduardo Frei, at the presidential house in Santiago yesterday.

CLINTON STATE VISIT PRESIDENT SIGNS AGREEMENT ON ENVIRONMENT, EDUCATION AND FINANCE AHEAD OF SUMMIT OF AMERICAS

US in deal to bolster ties with Chile

By Gerard Baker and
Associated Press in Santiago

President Bill Clinton agreed a series of initiatives with Chile yesterday at the start of his four days of talks with Latin American leaders.

Mr Clinton, accompanied by a large team of US cabinet members, arrived in Chile after an overnight flight from Washington. His two-day Chilean state visit comes ahead of the second Summit of the Americas at the weekend.

While Mr Clinton had talks with President Eduardo Frei, members of the US cabinet including Madeleine Albright, secretary of state, had meetings with Chilean counterparts.

The two presidents agreed to strengthen ties between their countries with the aim of improving environmental protection, education, and financial supervision.

Praising Chile, Mr Clinton said: "It has become a leader in our hemisphere, and an

even stronger partner and friend for the US." It had "an astonishing record" of progress in developing a strong and growing economy open to international partners.

He said the two nations would set up a commission to promote investment and commerce and to resolve trade disputes.

The two presidents agreed to increase exchanges of students and teachers. They also plan to increase access to the Internet in classrooms "so that every child no matter where he or she may live can explore the world of information now available with the stroke of a computer keyboard", they said in a joint statement.

They also pledged to create a pan-American weather forecasting system so as to be better prepared for destructive weather events such as the El Niño phenomenon. Fighting corruption and drug trafficking were also discussed.

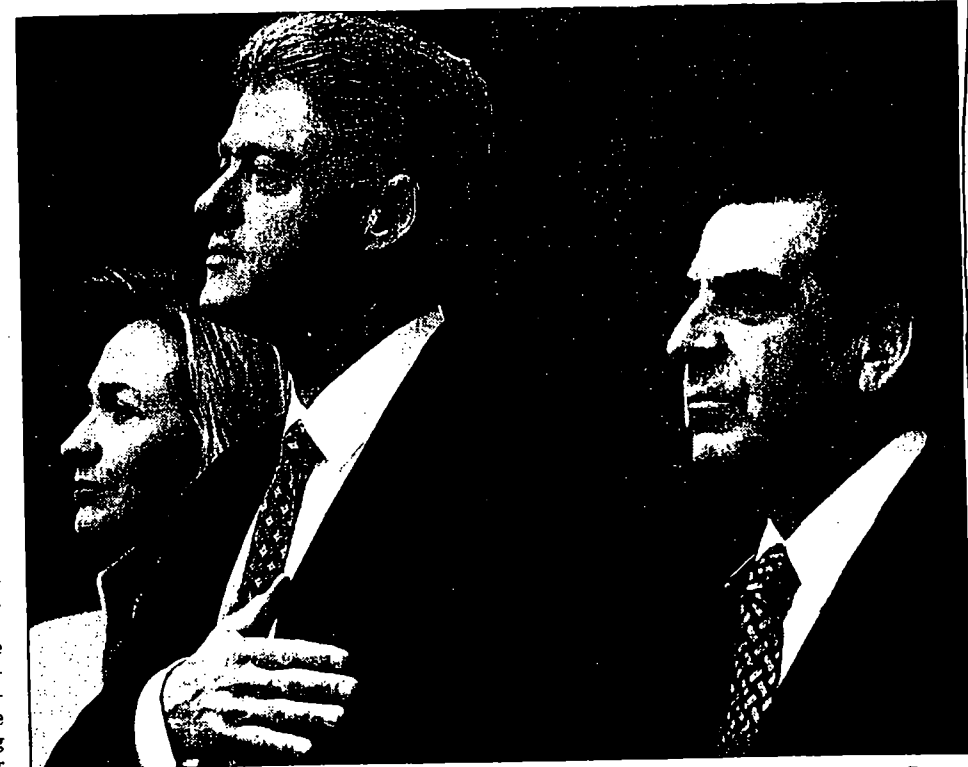
US officials, meanwhile,

were anxious to play down the potential difficulties for Mr Clinton when the summit with Latin American leaders begins at the weekend.

Trade will be the dominant backdrop to the meeting, and trade problems - along with Cuba - are sensitive issues. But US officials pointed out progress was expected at the summit on a range of other areas, including tackling drug trafficking, and improving education and health systems.

"Latin America has made enormous progress in the last 10 years in both establishing democratic constitutions and in achieving rapid economic growth," said one official. "What is now needed is agreement on a range of reforms to build on those achievements."

The summit leaders are keen to portray their discussions as an attempt to demonstrate a hemisphere-wide commitment to improving the quality of life for poorer Latin Americans.



Standing together: Bill and Hillary Clinton with Eduardo Frei, president of Chile

Reuters

FINANCIAL TIMES

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Clinton in pledge to Latin America over free trade

By Gerard Baker in Santiago

President Bill Clinton yesterday kicked off four days of talks with Latin American leaders with an attempt to reassure them that the US was still serious about promoting freer trade and opening markets throughout the region.

Prior to this weekend's Summit of the Americas, Mr Clinton told a group of Chilean and US business leaders that he would eventually succeed in getting approval from the US Congress for fast-track trade negotiating authority, without which the US is in effect unable to conclude trade agreements.

"I will continue to work hard with the Congress to build support for fast track. Be patient with us", he said.

Mr Clinton was trying to head off what is expected to be widespread criticism of the US at the summit. Anxious to gain access to the vast US market, many Latin American governments fear the Clinton administration has given up on previous commitments to promote free trade.

The trade issue will be particularly sensitive this weekend since the summit will mark the formal launch of negotiations among the countries of the hemisphere towards creating a Free Trade Area of the Americas by 2005.

Mr Clinton was adamant that meaningful negotiation could begin, even without prior Congressional approval.

The president will face other

tricky diplomatic challenges at the summit. He will also be pressed to move more quickly to normalise economic relations with Cuba, still the object of a comprehensive US embargo.

Last month Washington lifted some minor sanctions such as restrictions on flights between the US and Cuba and limits on financial remittances. But the administration made clear the steps were a direct response to the Pope's visit to Cuba in January and did not represent the first stage in a longer-term easing of sanctions, as many Latin American countries want.

Mr Clinton may also face today a less serious but equally delicate diplomatic problem that symbolises the US's complicated role in Latin America over the last few decades.

Among his audience when he addresses a joint session of the Chilean congress is expected to be General Augusto Pinochet, who ruled Chile in a military dictatorship for 15 years but is now a senator-for-life in the congress. The Clinton administration has avoided making direct personal remarks about Mr Pinochet, but Mr Clinton has never missed an opportunity to praise Chile and other Latin American countries for abandoning dictatorships and turning to democracy. His remarks will be closely watched for any indirect attacks on the Pinochet regime.

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You can take the knife out of a child's hand, but you can't take the knife out of his heart," said Sumiko Fukushima, a supervisor of teachers in Urawa City, in suburban Saitama prefecture.

Fukushima and Abe were among 200 educators who recently attended an "emergency meeting" of school nurses convened by the Education Ministry to discuss the sudden upsurge in school violence. Japanese schools are short of guidance counselors or mental health assistants, so the school nurses' office often becomes the refuge of children who can't cope with the stresses of school. In a typical middle school, nurses said, more than 40 students each day often crowd into the nurses' office, hoping for relief from the unpleasantness of stressful classes.

"Some kids can't express their feelings other than to say 'I have a stomach-ache,'" explained Yasuko Nakamura, one school nurse. "But you have to take in and understand the message under the child's voice. It is clear that the problem is serious, and the fact that the child came to the nurses' office is only the starting point."

To some critics, Japan's system of rote learning, rigorous testing and the forging of group cohesion, with little time left for play or self-expression, seems brutal. But 50 years ago, experts say, this rigid structure, along with the nation's close-knit network of extended family relations, helped lift Japan from the ravages of war, rebuild its industries and create a prosperous Asian titan from a bombed-out ruin of a defeated country.

By marshaling human resources, infusing discipline and demanding obedience and hard work, this system made Japan one of the most literate nations on the planet, taught young workers and managers how to run its innovative factories, crafted social cohesion and in time enabled Japan to become the world's second-largest economy.

No longer war-ravaged, Japanese today enjoy material prosperity. No longer a "village society" of large rural families working together to plant and harvest rice—a labor-intensive process that itself creates close-knit communities—Japan is now a nation of modern cities and industrial workers.

Many school children grow up without brothers or sisters or nearby grandparents. Japan largely abandoned agriculture for urban living and "one child" families became the norm. The "village" of prying neighbors and nearby uncles and aunts has largely been transformed into an anonymous suburb of ferro-concrete, low-rise apartments and modest houses.

Playmates are scarce because Japan's birth rate is so low, nearly 50 percent lower than that of the United States. And the once-feared father is now a subject of derision, by mother and child alike, because the nightly demands on a salaryman to stay out late drinking with the boss means daddy is seldom home.

"The Japanese social system is not designed to give kids happiness," explained Tsutomu Hotta, a prominent lawyer and former Justice Ministry prosecutor.

"After 1975, we became a middle class society," he explained. "Everybody had a car and a TV. Nobody had to worry about having enough food to eat or clothes to wear. They never experienced material want. So children lost any sense of why their parents were working so hard and for what purpose. They also lost the rationale for why they themselves should have to study hard, since they already had everything."

"Now we've entered a new era which requires individuality. But the social system, family and school have not changed their values. ... So today's students have neither dreams nor hopes," Hotta added. "There is nothing that spontaneously interests them."

"Students used to play with older brothers or younger sisters and have large groups of friends and their siblings' friends around the house. Today, those kinds of families are rare. These days kids grow up alone, with the TV set, the computer games and Mom. So these are kids who don't play with others. Many of these kids don't know how to communicate in a group. In our group society there is no group anymore."

"The result is you have a growing number of children who are insecure and selfish and who can't control their emotions."

Dressed for school in his blue suit, white shirt, red necktie and lapel pin, 14-year-old Hiroshi, an only child, seems like a miniature salaryman as he pulls his backpack onto a Tokyo subway. He usually attends (ital) juku (endital) four times a week, says he feels no pressure at school to get good grades, and thinks he'd like to grow up to be a "researcher."

"I like math, because the more you study it, the deeper your knowledge gets," he says.

But Hiroshi's conversation with an adult shows the tell-tale signs

of stress. Whenever he is addressed, Hiroshi look down and away towards the floor, unable to sustain eye contact. He scratches nervously at his right wrist, scabbed and raw from constant rubbing. An allergy, he says. His fingernails look as if they are constantly being chewed. And he admits that his favorite activity is not sports or music or playing with friends, but "going home and sleeping."

----- **Chile considers mixed blessing of free trade By David LaGesse The Dallas Morning News (KRT)**

SANTIAGO, Chile President Clinton told Chilean business leaders Thursday that Congress' refusal to grant authority for new pacts is not a rejection of free trade.

The question is how to open trade while protecting the environment and workers' wages, he said, explaining why the United States has developed cold feet on free trade and has not negotiated a promised pact with their country.

"There is a continuing and vibrant debate about how we're going to grow in the global economy in a way that gives everybody a chance to be a part," he said after starting a two-day state visit here.

Clinton, who will attend a hemispheric summit this weekend in Santiago, came early to Chile partly to acknowledge its leading role among Latin American countries in opening its markets.

But skeptics say the U.S. divisions over free trade have emboldened the opposition, even amid the fast-growing economy of Chile.

During Clinton's visit, Chilean environmental and labor organizers are hosting an alternative "People's Summit" of free-trade opponents from the region. Organizers say crowded rooms reflected attendance that far exceeded expectations.

Chile's aggressive embrace of free and open markets has spurred three U.S. presidents to say they wanted a trade pact with Chile. Clinton made his promise at a 1994 summit of regional leaders in Miami.

Congress has refused, however, to give Clinton authority to negotiate new deals, which helped push trade issues to the background of this weekend's Summit of the Americas.

Leaders at least will launch official negotiations toward a region-wide agreement, which would create one of the world's largest markets by the year 2005. The hemisphere's 34 democracies agreed to the concept at the Miami summit.

Despite last year's free-trade setback in Congress, the Clinton administration agreed to participate in the talks. U.S. negotiators hope to win authority to sign a region-wide agreement before it's ready.

But Chilean business and political leaders voiced concern Thursday that anti-trade forces are growing in the United States. They also cited disputes over Chilean salmon, wood and mushroom sales to U.S. companies.

"We cannot hide from you our fear of recent protectionist forces in the United States," said Walter Riesco, head of a Chilean industrial association.

Clinton asked the business leaders to be patient while the United States resolves its internal differences. "You may decide to have the debate yourselves before it's over," he said.

The debate raged openly at the alternative summit taking place at a hotel a few blocks away. Free-trade opponents there called for stronger protections for the environment and labor rights than those included in the North American Free Trade Agreement, signed in 1993 by the United States, Canada and Mexico.

Environmentalists say the agreement has encouraged companies to exploit Mexico's natural resources at unsustainable rates. Labor leaders, meanwhile, say U.S. companies exploit Mexico's workers, who struggle to organize under Mexico's system.

Chile, too, has experienced problems under free-trade agreements it has signed with Canada, Mexico and other countries, local organizers say.

Most of Chile's fast economic growth of recent years came from the sale of its natural resources, particularly minerals and forest products, said Sara Larrain, an environmental advocate here.

Mining companies have spoiled land and water, and Chile is threatened with losing its once-vast natural forests, she said.

"Chile's true economic growth is lower than it reports," Larrain said. "It has not accounted for the environmental cleanup it must undertake."

She noted that Santiago's dense smog typically obscures the nearby Andean mountains, whose snow-streaked peaks were partly visible Thursday for the first time this week.

Conservatives in Chile's Congress, meanwhile, have resisted efforts to reform its labor laws, which are left from the right-wing dictatorship that ruled the country from 1973 to 1990. The laws, for example, prevent unions from organizing in more than one company, limiting their ability to influence wages and work conditions, local union leaders say.

Free trade has brought larger companies to Chile that fight labor reforms, said Isabel Oyanader, who heads a group that organizes women workers in Santiago.

The poorest Chilean workers have seen their spending power diminish with free trade, she said.

"Free trade works for big companies at the macroeconomic level, but not for many workers at the microeconomic level," she said.

Chilean officials say that the benefits of free trade eventually will reach all Chileans, and that many of its social problems are left from the dictatorship.

Since 1990, the country has reduced the portion of its country living in poverty from 40 percent to less than 25 percent, Chilean President Eduardo Frei said Thursday.

Chile has doubled government spending on social programs since the dictatorship ended in 1990.

"Chile is firmly committed to free trade," he told Clinton.

Jones announces appeal of Clinton suit dismissal By Carolyn Barta The Dallas Morning News (KRT)

DALLAS Paula Corbin Jones, her voice breaking, announced Thursday in Dallas she will continue to fight for her "day in court" and appeal the dismissal of her sexual misconduct suit against President Clinton.

In her first public comments since the dismissal, Jones said she is confident the 8th U.S. Circuit Court of Appeals will call for a jury trial. "That is all I ever sought. And I will continue to seek that simple right."

Flanked by her legal defense team and other backers at a news conference, Jones choked up in the second sentence of her statement, saying she was "shocked" when a federal judge in Little Rock dismissed her case April 1.

Her husband, Stephen, rose to her side and put his arm around her as she fought off tears and continued.

"I was shocked because I believed what Clinton did to me was wrong and that the law protects women who are subjected to that kind of abuse," she said.

In Washington, Clinton's attorney, Robert S. Bennett, said Judge Susan Webber Wright had been "correct on both the law and the facts" and he was confident her decision would stand on appeal.

"It is unfortunate our legal system can ... continue to be abused by Jones' political and financial supporters who wish to harm the president and who, for their own private agendas, disregard the best interests of the American people," Bennett said.

Jones' lawyers expect action by the appellate court in six to 12 months. They say their grounds are strong, although other legal experts have termed the appeal an uphill battle. Her lawyers did not, however, rule out a settlement or mediation as a way of obtaining damages for their client.

"If some adult in control of the other side of this case would like to come forward and make a rational settlement offer, or even agree to engage in rational settlement discussions such as formal mediation," attorney Donovan Campbell said, "we will certainly be open to that."

Clinton ignored questions from reporters about the appeal while in Santiago, Chile, with his wife, Hillary Rodham Clinton.

The conservative Rutherford Institute of Charlottesville, Va., is footing Jones' legal bills for the appeal. But attorneys are working on a contingency fee basis and hope to recoup their fees in a monetary judgment for Jones.

Jones, 31, has claimed in 1991, when Clinton was governor of Arkansas and she was a state clerk, he summoned her to a Little Rock hotel room where he dropped his trousers and asked for oral sex. Clinton has said he does not recall such a meeting and has denied doing anything improper.

Judge Wright ruled that, even if there was a crude encounter, the actions did not violate the law. Lawyers were unable to prove a "negative effect on her job." Nor was the conduct "frequent, severe, or physically threatening," the judge ruled.

Campbell, lead attorney from the Dallas firm of Rader, Campbell, Fisher and Pyke, however, said the law does not permit "a male supervisor to expose himself to his female subordinates and ask for

sexual favors." There is no "one free flash" rule, he added.

In response to a question that Clinton may be out of office before the case is concluded, he said he expects a decision within two years even if it goes to the Supreme Court.

But he added, "We frankly don't care whether he is president of the United States or busing tables at Luby's Cafeteria when this lawsuit comes to trial."

Jones and her lawyers said any delay in announcing the appeal was prompted by personal considerations, not legal arguments.

She now lives in California with her husband, who was recently fired from his job as a ticket agent for Northwest Airlines, and two preschool sons. She said she had to think about "my husband and my two sweet little boys."

But she also considered the fact the court's ruling affects "many women other than myself."

Campbell denied that Jones' emotional state was a consideration in deciding whether to appeal, although he refused to allow Jones to answer questions. Meanwhile, Susan Carpenter-McMillan, Jones' personal adviser from California, defended her friend's fragility.

"To walk into a room and have a man expose himself and ask for oral sex and to have a judge say that's not outrageous conduct would make any civil woman cry," she said.

"It's been four years of hell," she said, since Jones aired her allegations. "She's the only woman in America who had the courage to step forward. Because of Paula Corbin Jones, the mask was lifted on the facade and we saw there were many other women."

In his deposition in the Paula Jones case, the president conceded after years of denial he had sex with Gennifer Flowers, a former state employee, when he was governor. But he denied he had groped a White House volunteer, Kathleen Willey, or had engaged in a consensual affair with a White House intern, Monica Lewinsky.

Campbell evaded an inquiry about how the Joneses are going to support themselves during the appeal. And Carpenter-McMillan said, "That's a good question." Jones turned down a \$700,000 settlement offer last fall.

Carpenter-McMillan also said there was "no good reason" why Jones lost his job, implying it was political retaliation.

Some legal experts say, at the least, an appeal could answer the question of whether a female plaintiff has to show a tangible job detriment to bring a sexual harassment claim before a jury.

And Judge Wright already has been reversed twice by the appellate court on Clinton-related rulings. An early ruling the Jones case could not go to trial while Clinton was president was reversed, as was a decision to quash a subpoena by Whitewater independent counsel Kenneth W. Starr to obtain notes from conversations between Mrs. Clinton and her lawyers also was reversed.

Jonathan Turley, a law professor at George Washington University, said the appellate court probably can handle the case in a year. Should the case eventually reach the Supreme Court, he predicted the justices would refuse to hear it because the legal issues are not likely to be groundbreaking.

Attorney John Whitehead, head of the Rutherford Institute, said, "We're in it for the long haul, no matter what the costs." He also said he had been "heartened" by recent supportive comments by women's groups. He hopes the support of such groups, absent before, will be forthcoming in the appeals process.

Some presidential experts suggested that, in terms of public opinion, the damage from the Jones suit already has been done.

"An appeal is not the kind of situation where you are going to bring out a lot of testimony that's really spicy or drawn out," said George Edwards, head of the Center for Presidential Studies at Texas A&M University. "If she should win and they do have a trial, it will be nothing but embarrassing for the president. But my guess is public opinion now is reasonably fixed. In the absence of any extraordinary new evidence, I don't think it's likely to have much impact in the future."

Political analyst Stuart Rothenberg said he expected the public to pay little attention to the appeal. "I can't believe anybody is going to care," he said. "If they didn't care when the charge was out there, if they didn't care when the trial hung over the president. It's hard for me to believe the appeal will suddenly ignite public anger toward the White House."

Compared with a report Kenneth Starr is expected to eventually deliver to Congress, Rothenberg said, "Jones' charges pale as a threat to the White House."

Clinton presses summiteers for '2nd generation' reforms

Exhortation to curb inequities draws mixed reviews

By Warren P. Strobel
THE WASHINGTON TIMES

VALPARAISO, Chile — President Clinton warned yesterday that the Western Hemisphere's turn toward democracy will falter unless freely elected governments do more to deliver better lives for their people.

"There must be a second generation of reforms beyond free elections and free markets, because for democracy to thrive, people must know that everyone who is willing to work will have a fair chance to share in the bounty of the nation," the president said.

His speech was part praise for Chile and other nations that have ended authoritarian rule and part exhortation to attack the persistent inequities in their societies.

The mixed message was delivered in an address to a joint session of the National Congress of Chile, which returned to democratic rule in 1990 after 17 years of dictatorship. Noticeably absent from the chamber was former military leader Gen. Augusto Pinochet, now a "senator for life."

Some officers in the crowd noticeably did not join in the applause for Mr. Clinton, whose speech included the line that, in a democracy, the military's job is "to defend the people, not to rule

them."

The nations of the Western Hemisphere are to gather today in Santiago for a two-day, 34-nation summit. U.S. officials never tire of noting that only Cuba, which is not invited, does not have a democratically elected government.

"With a single exception, the day of the dictators is over," Mr. Clinton said. "Having resolved to protect democracy, we must now do much, much more to perfect democracy."

There is growing concern in Washington that unless ordinary people in Latin America, which has one of the world's highest disparities between rich and poor, feel improvements in their daily lives, democracy will be seen as a failed experiment and authoritarian habits will resurface.

A strong democracy, he said, requires "protecting the rights of workers, standing up for the rights of women and children and minorities, fighting the drugs and crime and terrorism that eat away at democracy's foundations, reaching out across all sectors of society ... to ensure that everyone has a stake in shaping the future."

The package of proposals and ideas that Mr. Clinton brings to the Summit of the Americas is aimed at furthering these so-called "second-generation reforms."

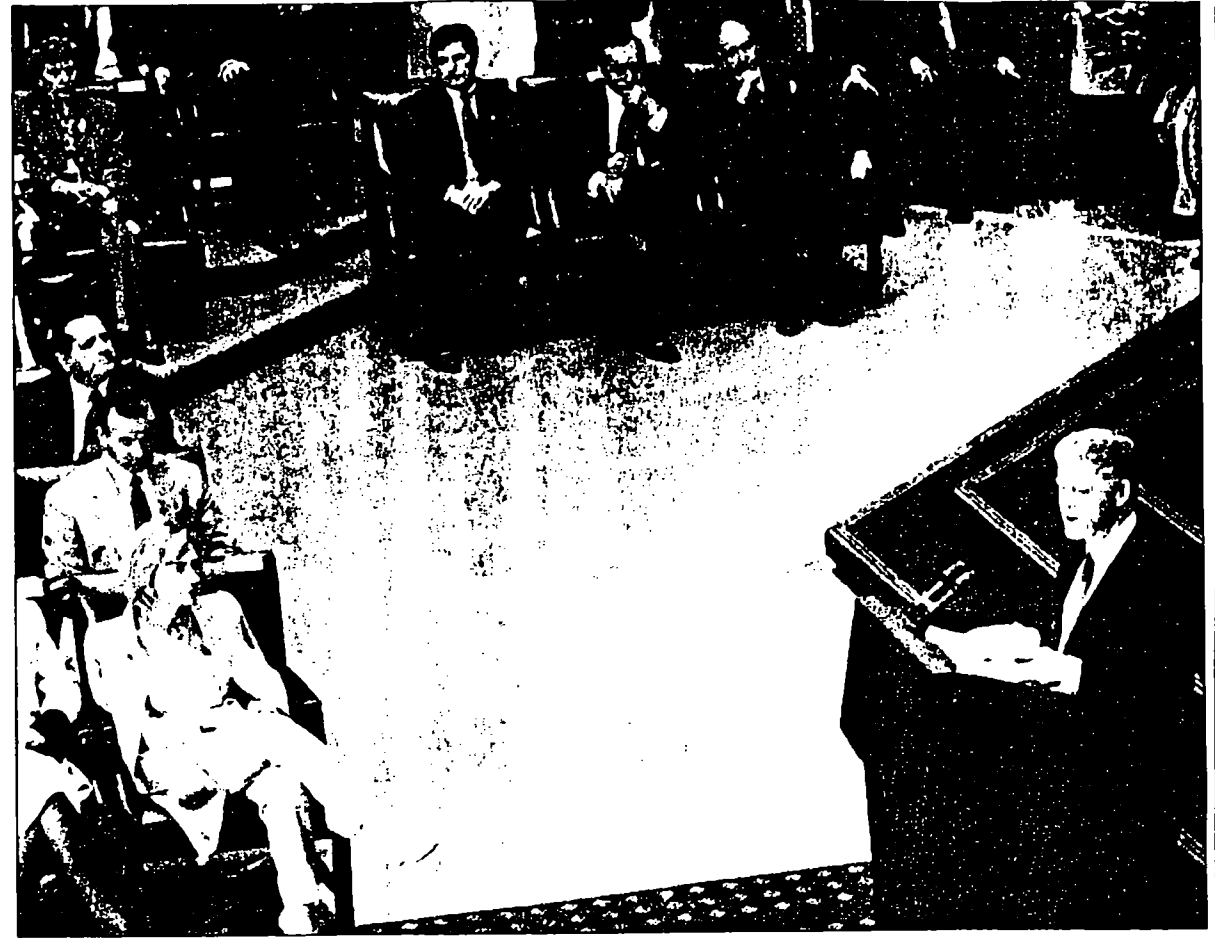
The United States is advocating

The United States is advocating priority attention to education, especially at the primary and secondary levels, as the best way out of poverty.

priority attention to education, especially at the primary and secondary levels, as the best way to lift people out of poverty. The 34 leaders also are expected to announce a new regional anti-drug effort and a new envoy, under the Organization of American States, to document press restrictions in the hemisphere.

James Steinberg, Mr. Clinton's deputy national security adviser, said these and other efforts are meant as a preventive strike against any backsliding on democracy.

"We need to take these steps now before this becomes a serious problem," he said, adding that the president's message is: "Let's not



First lady Hillary Rodham Clinton listens as President Clinton addresses the Chilean Congress and military in Valparaiso yesterday. They are in Chile for the second Summit of the Americas, opening today in Santiago.

assume we can keep that [democratic] consensus, unless we're active, vigilant and engaged."

Mr. Steinberg said leaders like Chile's Eduardo Frei, Mexico's Ernesto Zedillo and Brazil's Fernando Henrique Cardoso "realize it's not enough just to have the ma-

chinery of democracy." They have made education a policy priority, he said.

Richard Feinberg, a former White House expert on Latin America who was in the audience yesterday, said predictions of the collapse of democracy in the re-

gion are wrong.

"In general, democracy is stronger today than it was four years ago," when the first Summit of the Americas was held in Miami, said Mr. Feinberg. "Problems remain, but I think there's been a lot of progress."

The Washington Times

SATURDAY, APRIL 18, 1998

Case of jailed American imperils aid to Honduras

By Tom Carter
THE WASHINGTON TIMES

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Members of Congress are threatening to cut off \$26 million in aid to Honduras unless the wheels of justice begin moving for an American citizen who has been awaiting trial in a Honduran jail for nearly five years.

A Honduran Embassy official in Washington this week linked the

case of Gustave Patrick Valle to that of a Honduran awaiting execution in Arizona, saying the Honduran had been denied his right to a consular visit under the Vienna Convention.

The International Court of Justice last week unsuccessfully urged the state of Virginia to postpone the execution of a Paraguayan man for similar reasons.

Without taking a position on Mr.

Valle's guilt or innocence, Sen. Patrick J. Leahy, Vermont Democrat, put a hold in December on \$1 million in U.S. aid for reform of the Honduran justice system. And in early March, Rep. Sonny Callahan, Alabama Republican, asked Secretary of State Madeleine K. Albright to take "immediate action" on the Valle case.

"The Honduran justice system is antiquated and essentially non-

functioning," said Tim Rieser, an aide to Mr. Leahy. "They should either put [Mr. Valle] on trial or release him. There are egregious flaws in the way this case has been handled."

After getting no response from Mrs. Albright, Mr. Callahan told the Clinton administration's top human rights official, John Shat-

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tuck, this month that he is considering putting a hold on all aid to Honduras, which totals about \$26 million a year.

"The very fact that an American is being held in a foreign prison for five years without being given the opportunity to be heard is unacceptable," said Mr. Callahan, head of the House Appropriations foreign operations subcommittee, at an April 4 human rights hearing.

California-born Mr. Valle, 49, acknowledges killing Luis Canales in a July 1, 1993, gunfight in Talanga, Honduras, but maintains it was an act of self-defense and that the victim was a hired hit man.

There is considerable evidence and eyewitness testimony to back his claim that political bosses in cahoots with a judge and the local prison director wanted his 300-acre sugar cane farm — and tried to assassinate him to get it.

Honduran police records show that Mr. Valle had reported two other attempts on his life during the previous 24 hours, one of them by Mr. Canales.

Mr. Valle's sisters, in Alabama and Florida, have mounted a costly campaign on Capitol Hill and the Internet to win their brother's freedom. And they have won the backing of several powerful congressmen.

The family says it is no coincidence that the family farm is in the middle of an area recently named a free-trade industrial zone — alongside a coast-to-coast "dry canal" highway that greatly increases the value of the land.

"My brother is not in jail because of the law, he's in jail because powerful people wanted my father's land. It's so complicated and corrupt. Everyone has something to hide. They are all protecting each other. It's a nightmare," said Maria Skumanich, Mr. Valle's sister, who lives in Miami.

The Honduran human rights office corroborated much of Mr. Valle's story in 1994, concluding that he killed in self-defense, that witnesses and defense lawyers had been intimidated, and that local judges had falsified documents to keep him in jail.

Mr. Valle came to Honduras in 1990 to take over his father's farm. He married a local woman and be-

gan putting down roots. This apparently upset people who had designs on the Valle farm, which was slated to become part of the valuable free-trade zone.

The Honduran government says its justice system is working — albeit slowly.

"The reason it takes so long is that is the process in Honduras. That is just the law. It is in the hands of the court system," said Benjamin Zapata, spokesman for the Honduran Embassy in Washington.

In defending the Honduran courts, Mr. Zapata questioned the fairness of the U.S. justice system.

"I understand the family of Valle, just like I understand the family of the Honduran who could be executed in Arizona next week," he said. "Roberto Villafuerte, a Honduran citizen ... apparently his rights have not been fully respected, like the Paraguayan in Virginia."

Angel Francisco Breard, 32, of Paraguay was executed in Virginia on Tuesday in spite of an appeal to the International Court of Justice in The Hague by the government

of Paraguay, which argued Breard had been denied his right to talk to a consular official.

Virginia officials acknowledged the fact but maintained it had no bearing on the outcome of the trial, where Breard admitted raping and killing a woman.

Now the Honduran government is arguing that Villafuerte, who was convicted of killing his girlfriend, was similarly denied his rights under the Vienna Convention of 1969.

The State Department and the U.S. Embassy in Honduras have been deeply involved in the case of Mr. Valle. But most of the diplomacy has been quiet, as U.S. officials fear too much public pressure could simply anger the Hondurans and make matters worse.

"We have raised the Valle case at every level," said a State Department official this week. "We are concerned. He hasn't been given proper judicial treatment. It's been five years. But we worry that we don't give the Hondurans a reason not to act" by publicly embarrassing them.

The Washington Times
SATURDAY, APRIL 18, 1998

Top of page:

Col 1: The Canadian government, alarmed over the economic impact of depleted fisheries on its Maritime provinces and under political pressure to support a troubled industry, is now backing sealers with temporary subsidies and even Coast Guard escorts to hard-to-reach ice floes, upsetting environmentalists and sparking protests. (SEALS, moving Saturday.)

Col 2: Three young siblings, whose only crime was their reluctance to testify against their father, were jailed for 12 days in Los Angeles County's overcrowded Central Juvenile Hall and brought to court in handcuffs and leg chains, according to their attorneys and other court officials. (SHACKLE, moved.)

Cols 3-5: Wild art of local house on shaky foundation.

Col 6: Local transit story.

Above fold:

Col 2: Signaling Mexico's continued economic recovery and a possible boost to President Clinton's free-trade initiative, the monthly U.S. trade deficit with Mexico in February shrank to its lowest level since the disastrous peso devaluation in late 1994, the Commerce Department reports. (TRADE-MEXICO, moved.)

Below fold:

Cols 3-5: After Russia's ornery lawmakers rejected Sergei V. Kiriyenko for the post of prime minister for the second time in a week Friday, those taken with the congenial, young, acting-government chief might have been wondering. "What's not to like?" But among the tough-guy Communists and nationalists who dominate the state Duma, the lower house of the Russian parliament, the soft-spoken, bespectacled Kiriyenko is regarded as a nerd. (with art) (RUSSIA-TIMES, moved.)

Bottom of page:

Cols 1-3: What city officials who recruited tenants for an apartment project never anticipated was that once the investment started to go sour, it would lead to a small but militant tenants' movement of Chinese citizens and foreign investors. (with art) (CHINA-TENANTS, moving Saturday.)

Cols 5-6: Congress may be disappointed if it thinks it can turn many people off smoking by jacking up the price of cigarettes; even sharply higher prices probably cannot stop many heavily addicted smokers from lighting up. (TOBACCO-SMOKERS, moving Saturday).

Clinton Hails Chile's Growth in Democracy (Valparaiso, Chile) By Jonathan Peterson (c) 1998, Los Angeles Times

VALPARAISO, Chile In a legislative hall that once symbolized tyranny, President Clinton on Friday declared that "freedom's victory has been won throughout the Americas" but cautioned that the awakening region "must now do much, much more to perfect democracy."

"No one loves freedom more than those who have had it and lost it," Clinton told a packed joint session of the Chilean congress that was missing its most notorious member, former dictator Augusto Pinochet. "No one prizes it more than those who have lost it and regained it. I know here I am in a room full of people who love freedom."

The chamber broke into applause. To the relief of Chilean officials, Pinochet, who ruled the South American nation until 1990 and now serves as a senator, said he was ill and stayed home while Clinton spoke.

Clinton, speaking on the eve of a hemispheric summit in Santiago, said that to perfect their fledgling democracies, Chile and its neighbors should act to strengthen their judicial systems, improve police professionalism, strengthen the schools, enhance access to health care, combat corruption and respect press freedoms.

On a separate note, he alluded to his personal embarrassment on failing to win from the U.S. Congress broader authority to negotiate trade deals. "We want and will resolutely pursue a free-trade agreement that includes our two nations," he told legislators of the nation once touted as the next member of the North American Free Trade Agreement, along with the United States, Mexico and Canada. "And I will not be satisfied until we achieve that goal."

But more than anything, Clinton's address was a bid to express in lofty terms his views on democracy: its flexible nature, the ways to bolster it and that it can be fleeting. "Democracy is never perfect, but because it is open and free, it is always perfectible," he said. "In the words of our President Franklin Roosevelt, who tried so hard to be a good neighbor to Latin America, democracy is a never-ending seeking for better things."

Such lofty sentiments did not seem abstract inside the legislative chamber of marble and wood. Just nine years ago, Pinochet transferred the national congress from the capital of Santiago to this coastal city of 300,000, as part of an effort to disperse political power and potential resistance to his autocratic regime.

The general's political survival, however marginal, has been a source of great controversy in Chile, where many speculated on whether he would show up for Clinton's speech and embody a distracting spectacle to the president's oratory on freedom. "From our perspective ... he (Clinton) was prepared to give the same message whether Pinochet was there or not," a U.S. national security aide said afterward.

And while there have been persistent reports that some major participants in the upcoming Summit of the Americas want the United States to allow Cuba to participate, Clinton in his speech referred to Cuban President Fidel Castro, saying, "With a single exception, the day of the dictators is over" in the Americas. "The 21st century will be a century of democracy."

Reflecting an overarching theme of the second summit, which begins Saturday Clinton's message was that initial steps toward free markets and free elections are insufficient to preserve democracy for the long haul.

"As Chileans understand perhaps more clearly than any of their fellow Americans, there must be a second generation of reforms," Clinton said. "For democracy to thrive, people must know that everyone who is willing to work will have a fair chance to share in the bounty of the nation. Leaders must ensure that the political system, the legal system, the economic system are not rigged to favor those who already have much, but instead give everyone a stake in shaping the future."

True democracy requires "a strong and independent legislature," he said, and top-level respect for it, even when lawmakers "do not do what the president would like them to do."

Education, he continued, "is the key," particularly in a time when liberalized economies can widen the gulf between haves and have-nots and provide great rewards to those with knowledge while greatly penalizing those who lack skill. Strong education will "encourage" the dreams of the young, he said, noting, "It can give people the power to overcome the inequalities between rich and poor. It can give nations the opportunity to fulfill their destiny."

Clinton has gotten a friendly if not ebullient reception in Chile, where there was a jarring but not significant earthquake and a rebel grenade attack against a Chrysler auto dealership; no one was injured in the incident.

As his motorcade entered Valparaiso on Friday morning, a group of children cheered and waved. But nearby, a group of onlookers held up a sign that said in Spanish, "Clinton: Your Business Is the Poverty of Latin America."

U.S. Trade Deficit Widens to Highest Level Since '87 (Washn) By Art Pine (c) 1998, Los Angeles Times

WASHINGTON Reflecting the growing impact of the Asian economic slump, the U.S. foreign trade deficit widened again in February to its highest level since late 1987, the government reported Friday threatening to intensify protectionist sentiment in Congress.

The United States imported \$12.1 billion more in goods and services than it exported during the month, the Commerce Department said, up \$500 million from a revised \$11.6-billion gap in January.

Although the rising trade deficit is likely to help the economy now by preventing it from overheating, it is likely to make it harder for President Clinton to win support for his "fast track" trade bill, as he vowed in Chile on Thursday, and for other trade-expansion measures.

Commerce Undersecretary Robert Shapiro, seeking to head off protectionist measures, held a press conference to urge Congress to join "in working for open trade and open markets" so that "this prosperity can continue." The February deficit was larger than analysts had expected, prompting economists to speculate that the impact of the Asian economic slump here may prove to be somewhat greater than they had forecast. But they said they still expected it to be fairly mild.

At the same time, however, economists were struck by the fact that the Asian countries did not appear to be trying to export their way out of their recession by flooding U.S. markets with their products.

Although the U.S. trade deficit with Japan soared in February, the deficit with other countries hit hard by the Asian crisis actually shrank as exporters in the region continued to experience difficulty obtaining the financing needed to step up their shipments.

The deficit with South Korea plunged by 31.1 percent, for example, while that with Indonesia shrank by 8.2 percent. Analysts attributed those improvements in large measure to normal seasonal patterns and said they might not continue much longer.

Rather, if anything, the figures showed that the biggest impact of the Asian crisis so far has been to choke off demand in Asia for U.S. made products such as capital goods, which have become more expensive there as countries' currencies have lost value against the dollar.

Japan bought fewer U.S. goods and services than in any month in three years, and the U.S. trade gap with Japan where the deficit jumped to \$5.3 billion, from \$4.4 billion the previous month.

U.S. officials have been pressuring Japan to stimulate its domestic economy, but privately they are pessimistic. Although the Japanese government proposed a \$75 billion economic stimulus package last week, it still has not disclosed the details.

Many analysts believe the soaring trade deficit with Japan could prove the administration's biggest problem in warding off protectionism in Congress. "Clearly we're heading for trouble there," said Lawrence Chimerine, analyst at the non-partisan Economic Strategy Institute.

Meanwhile, the Federal Reserve Board issued a report showing that the U.S. manufacturing sector continued to weaken in March, partly as a result of the collapse in orders from Asia.

Although industrial production rose 0.2 percent in March following two months of declines of the same magnitude, the gain came primarily from a sharp increase in the output of utilities. Manufacturing production again slowed sharply.

The increase in the trade deficit for February came despite a sharp 16.2 percent drop in the value of petroleum imports, reflecting the past few months' drop in oil prices.

Latinos Express Concern Over Decreased College Admissions (Washn) By Robert L. Jackson (c) 1998, Los Angeles Times

WASHINGTON Latino leaders on Friday brought to the nation's capital their concerns about decreased minority college admissions in California, warning that the poverty and drop-out problems among Latino youth will only worsen unless the trend is reversed.

Officials of the Congressional Hispanic Caucus and other organizations who sponsored a Capitol Hill news briefing said they were determined to overcome anti-affirmative action policies in California.

"Racial, gender and ethnic intolerance as well as the existence of double standards continues to exist," Angelica Santacruz, a board

member of the Hispanic Association of Colleges and Universities, told reporters. "As long as everyone is not yet invited to participate or even compete on a level playing field to demonstrate their aptitude and potential, affirmative action is needed."

Figures released earlier this month by the University of California system showed the number of black students accepted for fall's school year by UC Berkeley plunged 66 percent, and the number admitted to UCLA dropped 43 percent, as the state's premier public institutions selected the first freshman class in two decades without preference for race, ethnicity or gender.

Declines among Latinos were smaller but still substantial 53 percent at Berkeley and 33 percent at UCLA.

On the federal level, the Latino groups said they would press for defeat of a congressional amendment proposed by Rep. Frank Riggs, R-Calif., that would ban affirmative action in college admissions nationwide. The Riggs amendment to the Higher Education Act was modeled on Proposition 209, the anti-affirmative action measure approved by California voters.

While barring recipients of the act's funding which includes virtually every university and college in the country from discrimination and preferences in admission, Riggs said his proposal would permit schools to recruit qualified women and minorities "to achieve the twin goals of diversity and minority outreach without the need for preferences that favor one minority group over another."

Those participating in Friday's briefing, however, deplored the prospect of a nationwide drop in minority college admissions similar to the trend in California. Esther Aguilera, executive director of the Hispanic Caucus, said: "We should be seeing an increase in Latinos and other minority students in the University of California system because of increases in (Latino) population. We should be striving for multiplicity at all campuses."

Carmen Joge, representing the National Council of La Raza, said Latino children have a higher poverty rate than any other group, and too many drop out of school before finishing the eighth grade.

"Despite this, Latinos are underrepresented in federal education and related programs that were designed to serve the neediest of our children," Joge said.

Richardson Earns Promise of Peace Talks From Afghan Warlords (Kabul) By Dexter Filkins (c) 1998, Los Angeles Times

KABUL, Afghanistan Bill Richardson, the U.S. ambassador to the United Nations, flew into this untamed, shattered land Friday and came away with a promise from its competing warlords to talk peace for the first time in more than a year.

Richardson, the highest-ranking American diplomat to visit Afghanistan since 1974, said he hoped that the agreement secured from the ruling Taliban militia and the main rebel groups would end fighting that has dragged on for more than 20 years, defied numerous mediators and left more than 1 million people dead.

Beyond an agreement to begin talks, Richardson's accord contained few details and little evidence that either side was willing to share power. Minutes after he departed from the headquarters of rebel general Abdul Rashid Dostum, the two sides began shelling each other with the spectacular nighttime bursts visible from Richardson's plane.

Still, Richardson said he was hopeful that the Afghan people were so fed up with fighting that they might with high-profile prodding from the United States finally be willing to silence their guns.

"I believe the Afghan people want this war to end. I saw it in their eyes," he said afterward in Islamabad, Pakistan. "It appears we have a breakthrough."

Richardson, the globe-trotting envoy known for his savvy in Third World crises, hopscotched across this country in a small, propeller-driven plane, from the ruins of central Kabul to the steppes of northern Afghanistan.

In Kabul, he drove through a city that appeared more moonscape than metropolis, where the population lives and sleeps amid the rubble. In Sheberghan, in northern Afghanistan, he was welcomed by ethnic Uzbek horsemen frolicking at "bazkashi," a traditional polo-like game played with the carcass of a beheaded goat.

"I welcome Ambassador Richardson to Afghanistan," said Dostum, the battle-hardened leader of the Junbush-i-Milli party, from the tarmac of his remote air base. "We are honored to have a top American here after so many years."

Richardson said he came to Afghanistan to jump-start a U.N.-sponsored peace process that had sputtered.

He said his visit highlighted a renewed American interest in the region, which has long been overlooked by U.S. diplomats.

Off the Fast Track

LAST FALL Congress was warned not to undercut President Clinton by denying him fast-track trade negotiating authority in advance of his trip to Santiago, Chile, for his second summit meeting of the hemisphere's democratic leaders. Now Mr. Clinton is in Chile without fast-track, and the administration boasts its free-trade agenda is proceeding swimmingly. Could it be that fast-track didn't matter after all?

Not quite. In the wake of Asia's financial crisis, Latin American countries have accelerated their move toward economic integration and increased trade, both to avoid a similar meltdown by demonstrating their free-market credentials and to take advantage of a rival region's weakness. But because Congress, led in this instance by Mr. Clinton's fellow Democrats, voted against his fast-track bill, much of the activity is passing the United States by. Canada is negotiating trade deals with Chile, Chile with Brazil and Argentina, Brazil and Argentina with Mexico.

Being a wallflower at this dance won't cripple the huge U.S. economy. But it may have real and adverse consequences for U.S. businesses and workers. If Argentina removes all tariffs on Chilean grapefruit while imposing a 30 percent tax on Florida's, Florida's producers won't be helped. And if Canada and Mexico can export south more advantageously than the United States, U.S. companies may increasingly serve South America's market from plants in Canada

and Mexico.

The U.S. economy is too big, and its market too valuable, to be ignored altogether. In Santiago, leaders will approve a plan for negotiations leading to an Americas-wide free-trade agreement by 2005. U.S. officials are in the thick of those talks and won't need fast-track authority for a couple of years.

But eventually, Mr. Clinton—or his successor—will encounter in those talks the same issue that sank fast-track last fall. Democrats say they want trade agreements only if they mandate protections for workers and the environment. South American officials say labor and environmental standards don't belong in trade pacts and would be used as a cover for U.S. protectionism. Some compromise will have to be found. The agreement in Santiago to include labor and environmental groups in the negotiating process, a first for such trade talks, may help point the way.

That leaves Mr. Clinton, at the summit, emphasizing such non-trade purposes as increasing "human capital" by education, improving the quality of democratic procedures and human rights protections, and fighting drugs and crime. These are ways he still can show that Congress's resistance to fast-track is not setting back this country's relations with the Latins or undermining its purposes: more consultation, more consensus, more democratic and free-market development than ever.

Mr. Kabila's Defiance

THE UNITED Nations has been looking into frightful allegations that Congo President Laurent Kabila, inheritor to the realm and, it increasingly seems, the manner of Joseph Mobutu, massacred tens of thousands of Rwandan refugees. Mr. Kabila's response has been to harass and intimidate the U.N. team to a point now compelling Secretary General Kofi Annan to pull out the investigators.

For many people, this will be all they need to know to make a judgment on the mass murder allegations against Mr. Kabila. Why else but to cover up an involvement in killing would he insult the U.N. and put his international standing on the line?

It is not that the U.N. has been pushy or peremptory to Mr. Kabila. On the contrary, his accession was welcomed as a new broom to sweep up after the crashed Mobutu. Doubts about him were widely suppressed. Encouraged by the Clinton administration, Mr. Annan saw

to the removal of the chief investigator appointed by the U.N. Human Rights Commission, and otherwise deferred to Mr. Kabila's views on how the team should be run.

This is the same President Kabila whom President Clinton met just last month in Uganda. Mr. Clinton praised him for ousting the late President Mobutu but warned about his record since, stating, "You haven't come this far to fail."

Inconvenient as the exercise may be, President Kabila's conduct makes it unavoidable to ask whether he is the solution or the problem of post-Mobutu Zaire. His readiness to stick a finger in the eye of an American president who had taken his side is far from the most egregious of his offenses. Truly grave is his repudiation of an accredited, rule-abiding U.N. human rights mission. To let him get away with it would strike a direct blow at the integrity of the U.N. Why should he be permitted to retain his seat one more day in the organization he defies?

The Washington Post

SATURDAY, APRIL 18, 1998

WORLD

In Brief

AFRICA

U.N. Team to Withdraw From Congo

UNITED NATIONS—U.N. Secretary General Kofi Annan announced yesterday that he would immediately withdraw a U.N. team investigating massacres in Congo, accusing President Laurent Kabila's government of repeated obstruction.

Annan, in a statement issued through his spokesman, said the government had constantly put obstacles in the way of the 26-member team, sent to Congo in August, and showed a "total absence of cooperation."

"Attempts by forensic experts to excavate suspected sites of mass graves were blocked. The authorities also harassed and intimidated witnesses who provided testimony to the investigators," he said.

But Andre Kapanga, Congo's U.N. ambassador, said his government "deplores this decision because it has never asked the United Nations to withdraw the investigative team."

Rwandan Army Claims 70 Hutu Deaths

BULINGA, Rwanda—The Rwandan army said it killed 70 ethnic Hutu militiamen during a battle Wednesday in the central province of Gitarama.

The battle at the village of Buramba followed a sweep by the Tutsi-led army rebels who had been attacking civilians in the area, the radio said.

About 100 people were killed last week in Hutu militia attacks in Gitarama. Around 160—including many rebels—were killed in fighting in Gitarama villages in March after hundreds of rebels attacked a prison.

EUROPE

Belfast Records 1st Killing Since Accord

BELFAST—A man was shot to death in Belfast, but police said it was too early to say whether the attack was part of Northern Ireland's sectarian and political conflict.

If confirmed, the killing would be the first such attack since last week's landmark Northern Ireland peace accord.

The man was shot outside a taxi office in Catholic west Belfast, police said.

Gunmen Shoot at Investigators in Kosovo

PRISTINA, Yugoslavia—A joint Yugoslav-Albanian commission sent to investigate a border clash in the province of Kosovo was fired on by gunmen from the Albanian side, the Yugoslav army said.

The joint commission was supposed to investigate an incident Thursday in which Yugoslav border guards seized weapons and ammunition after a shootout with up to 60 Albanian gunmen.

The incident took place in the Decani area, near the southwest Kosovo border town of Djakovica in an area regarded as a stronghold of guerrillas of the separatist Kosovo Liberation Army. Tension has been high in Kosovo since February when at least 80 ethnic Albanians, including women and children, were killed in a police crackdown against alleged separatists.

Poland Honors Hero of Warsaw Ghetto

WARSAW—Poland gave its highest honor, the Order of the White Eagle, to Marek Edelman, who led the heroic resistance in the Warsaw Ghetto against German invaders 55 years ago and then became a top cardiologist and democracy campaigner.

Edelman was a commander of the Jewish Fighting Organization that took up arms in 1943 against the Nazis, who were murdering Polish Jews, and defended the area of the city into which the Jews of Warsaw had been forced during the Holocaust.

ASIA

Taiwan Appoints Negotiator With China

TAIPEI—Taiwan hinted it was easing a ban on official contacts with communist China, naming a heavyweight negotiator who still holds a state post to end a 33-month impasse in bilateral talks. Jan Jyh-hong, deputy secretary general of Taiwan's Straits Exchange Foundation, will lead seven foundation officials to Beijing April 22-24, the semi-official body said.

Jan, who joined the foundation yesterday, retains his post as planning director in the cabinet's Mainland Affairs Council, Taiwan's China policy agency, the statement said. Jan will "exchange opinions with his mainland counterpart in Beijing on future visits and exchanges between the sides," a foundation statement said.

Death Toll Rises From Tainted Liquor

GAIBANDHA, Bangladesh—The number of people killed by a batch of home-brewed liquor rose to 65, a day after hundreds of protesters attacked the narcotics control office, police said.

The government has ordered an investigation into deaths connected to the tainted liquor, drunk during celebrations of the Bengali New Year here on Tuesday, police said. Eighteen people died immediately after they drank the liquor. About 200 fell sick, and 47 have died over the past three days.

THE AMERICAS

Appeal Rejected for Paraguayan Candidate

ASUNCION, Paraguay—Paraguay's highest court rejected an appeal by leading presidential candidate Gen. Lino Oviedo and confirmed his 10-year jail sentence for a military coup attempt in 1996, a court spokesman said.

Oviedo, a former army commander-in-chief, was jailed late last year by a military tribunal set up to investigate events in April 1996, when Oviedo holed up in his barracks outside Asuncion in defiance of government orders.

Oviedo is leading opinion polls ahead of elections scheduled for May 10. He was elected as the candidate of the ruling Colorado Party last year despite opposition from President Juan Carlos Wasmosy—the target of the 1996 coup bid—and other party leaders.

Journalist Killed in Colombia

BOGOTA, Colombia—A journalist was shot dead in southern Colombia in a mob-style hit outside the school where he worked as a professor, authorities said.

Nelson Carvajal, 35, was the third journalist killed in Colombia this year, and his death brought to 46 the number killed in the country over the last decade. Police spokesmen said Carvajal was shot 10 times by an unidentified assassin in Pitalito, a town in southern Huila Province.

He had worked for a local affiliate of Colombia's RCN news radio network and had also served as a representative of the opposition Conservative Party on the Pitalito town council.

QUOTE OF THE DAY

"It is impossible to break me."

Sergei Kiriyenko, President Boris Yeltsin's nominee for Russian prime minister—Page A14

—Compiled from news services

The Washington Post

SATURDAY, APRIL 18, 1998

Clinton Honors Chile's Restored Democracy

By THOMAS W. LIPPMAN
Washington Post Staff Writer

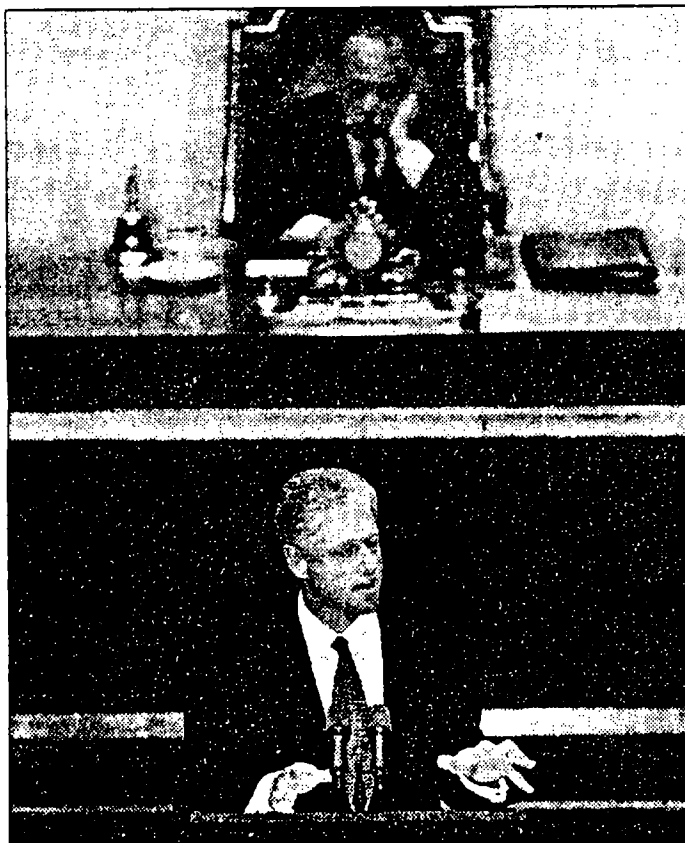
VALPARAISO, Chile, April 17—In the sweep of world events, a decision by Chile to participate in U.N. peacekeeping in Western Sahara might command few headlines, but to the White House it dramatizes the rehabilitation of this country's entire political system.

Chile's armed forces, once the country's oppressors under military rule, now stand for resurgent democracy in a nation that "honors its soldiers for their commitment to defend the people, not to rule them," President Clinton said today.

"The success of this nation goes beyond your borders," Clinton said in a tribute to Chilean democracy delivered here before a joint session of the national Congress. "I thank you for what democratic Chile has done to promote peace in El Salvador, Haiti, Bosnia, the Persian Gulf [and] between Peru and Ecuador. Your country served on the United Nations Security Council. You have taken the initiative to attack corruption and crime across the Americas. For all that, I thank you."

Long reluctant to take part in international peacekeeping missions, Chile is doing so more and more now that its armed forces are no longer commanded by Augusto Pinochet, the general who seized power in a coup in 1973 and retained leadership of the military even after civilian government was restored in 1990.

White House deputy national security adviser James B. Steinberg said Chile is participating in the U.N. weapons inspection program in Iraq and the international peacekeeping force in Bosnia. In addition, he said, President Eduardo Frei told Clinton today that Chile is prepared to join the U.N. mission in Western Sahara, polic-



Clinton addresses Chilean lawmakers, describing Chile as "a shining star in America's constellation." Senate President Zaldivar is seated behind him.

ing a cease-fire between troops from Morocco—which claims Western Sahara as its own—and guerrillas of the Polisario Front seeking independence.

Under an agreement brokered by former secretary of state James A. Baker III, a U.N.-sponsored referendum is scheduled to determine Western Sahara's status later this year.

Chile's international role "is really a remarkable achievement," Steinberg said. "And I think it reflects not only the maturing of the democracy here but also the fact that the military itself is much

more focused on a different kind of role. . . . And it really does reflect the growing democratization and civilian control with respect to the military here as well."

In the U.S. view, Chile's military has been sanitized to the point that Clinton asked Frei to ensure that U.S. defense contractors receive fair consideration as Chile shops for modern fighter jets. Some analysts say, however, that the armed forces still harbor officers loyal to Pinochet who may have participated in human rights abuses during his rule.

Clinton delivered his tribute to

Chile's restored democracy in a futuristic building constructed to mark the 1990 inauguration of the first Congress since Pinochet abolished the legislature in 1973. Pinochet, now a senator for life under a special provision of the constitution, did not attend, citing an unspecified illness, according to local journalists.

Clinton, accompanied by first lady Hillary Rodham Clinton, Secretary of State Madeleine K. Albright and senior White House officials, was effusively welcomed by Senate President Andres Zaldivar Larrain and his applauding colleagues.

"Nothing was unhappier for our people than the interruption of democracy," Zaldivar said, "and nothing more gratifying than its restoration." He thanked the United States for its "support in those difficult moments."

Clinton responded in kind, calling this country "a shining star in America's constellation—stable and resilient, with budget surpluses, a high savings rate, a high growth rate, low unemployment and low inflation."

He said, "No one loves freedom more than those who have had it and lost it. No one prizes it more than those who have lost it and regained it." Keeping to the theme he brought here for this state visit and this weekend's Summit of the Americas, the president called on Chile to help stabilize democracy throughout the hemisphere by ensuring that ordinary people reap its benefits in the form of better education, health care and jobs and the elimination of corruption.

After a private lunch with Frei, Clinton visited the wine-producing town of Casablanca—Spanish for White House—and promised its residents that delegates to the summit "will do our best to discuss things and work together on things that will make your lives better."

The Washington Post

SATURDAY, APRIL 18, 1998

Clinton, in Chile, Calls for Deepening of Restored Democracy

By JOHN M. BRODER

VALPARAISO, Chile, April 17 — President Clinton, speaking to a joint meeting of the Chilean Congress with one notably empty chair, praised Chile for the restoration of democracy but said freedom requires more than elections and open markets.

Gen. Augusto Pinochet, who was voted out of power in 1990 after 17 years of dictatorial military rule, was not present for the speech, having told the President of the Senate he was too ill to attend. But if he had, he would have heard the American President say, "No one loves freedom more than those who have had it and lost it."

"Freedom's victory now has been won throughout the Americas," Mr. Clinton said. "With a single exception," he added, referring to Cuba, "the day of the dictators is over."

But Chile and other Latin nations still must address glaring problems before they can truly boast of open, free and democratic societies, Mr. Clinton said. Corruption remains endemic, the judicial systems are weak, wealth is unevenly distributed and freedom of expression is not firmly established, he said.

"Free elections are democracy's essential first step, but not its last," the President said. "Across the Americas, there are still too many citizens who exercise their right to vote, but after the election is over, feel few benefits from the decisions made by their officials. This kind of popular frustration can fuel the ambitions of democracy's foes."

This concept of deepening democracy and distributing its benefits to all citizens is the core of Mr. Clinton's message to Latin American leaders, who are gathering in Chile's capital, Santiago, for a two-day Summit of the Americas on Saturday and Sunday.

Elections and open markets not enough, Latins are told.

But the American President is offering trade, not aid, as the prescription for curing Latin America's lingering inequalities. The 34 leaders assembled at the summit meeting will begin a seven-year negotiation aimed at establishing a free trade zone encompassing the entire hemisphere by 2005. Mr. Clinton is advocating increased spending for schools, courts, clinics and housing, but is offering little American money to support them, instead counting on international organizations to finance regional social programs.

In his speech, Mr. Clinton said Chile and other relatively new democracies in the hemisphere must resolve to cement the transition to democracy and establish a second generation of social reforms.

"To those anywhere in the Americas who would seek to take away people's precious liberties once again, or rule through violence and terror once again, let us reaffirm President Aylwin's historic words at Santiago Stadium, 'Nunca mas.' Never again."

Patricio Aylwin, a Christian Democrat, was elected President of Chile after General Pinochet was denied a second eight-year term in a national plebiscite in 1988. Mr. Aylwin took office in 1990; General Pinochet became a Senator for Life that year but has not taken an active role in the legislative process.

The general's right-wing allies in the Congress did not react favorably to Mr. Clinton's remarks. They re-

fused to applaud the speech and generally sat dourly throughout the President's 19-minute address.

Afterwards Hernan Larrain, a Senator from the conservative Independent Democratic Union, criticized Mr. Clinton for interjecting himself into Chile's internal affairs.

"He wouldn't like it if we gave our opinions about when the Americans had slavery," Mr. Larrain said. "Nobody can tell us how democracy works."

Jorge Martinez Bush, a high-ranking Chilean Navy officer in the Pinochet era, voiced annoyance at Mr. Clinton's reference to Mr. Aylwin's victory address.

The Chilean Congress meets in Valparaiso, a seaside city 90 miles from the capital, as a result of one of General Pinochet's last official acts. He moved the Congress to a large ungainly building here in an attempt to decentralize the Government and to distance the legislative branch from the seat of executive, judicial

and military power in the capital.

Mr. Clinton was introduced by Andres Zaldivar Larrain, the President of the Senate, who described Chile as a country that loves its restored democracy.

"Nothing was more painful for our people than to see it interrupted," Mr. Zaldivar said. "Nothing was more pleasurable than to reconquer it. We have learned that its conservation requires a constant attitude of tolerance and respect, and that its perfection demands maturity and persistence."

Mr. Clinton, speaking on the floor of the chamber behind a bulletproof lectern flown in from Washington, struck much the same note, and broadened the message to include the other nations of the region.

"Now, having resolved to protect democracy, we must now do much, much more to perfect democracy," the President said. "And we must do it throughout the hemisphere."

The New York Times

SATURDAY, APRIL 18, 1998

Hourly News Summary

Around the World, Around the Clock...with United Press International.

-0-

President Clinton is in Santiago, Chile for the start of the "Summit of the Americas." He and 33 other leaders from the hemisphere will discuss the eventual establishment of regional trade pact.

The president has spent the past two days touring areas of Chile. He received a very cheerful reception in the small town of Casablanca.

Clinton and Chilean President Eduardo Frei will make opening remarks at the Summit.

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Russian President Boris Yeltsin has arrived in the seaside resort town of Kawana for an informal summit with Japanese Prime Minister Ryutaro Hashimoto. The two leaders are expected to discuss economic cooperation and possibly outline joint development of the Kurile Islands, the subject of a territorial dispute that has kept bilateral relations chilly since World War II.

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Vice President Al Gore toured tornado ravaged Nashville on Friday. He promised federal aid to the victims.

At least seven people died as a result of the storm.

-0-

Former Khmer Rouge leader Pol Pot, believed responsible for the death of millions of Cambodians in the late 1970s, has been cremated in the Cambodian jungle near Thailand. A BBC report says only his Khmer Rouge captors were present as the body and belongings of the 73-year-old former dictator were burned on a small funeral pyre in a simple Buddhist ceremony.

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The space shuttle Columbia rocketed into space yesterday afternoon carrying thousands of creatures. The crew will be carrying out a number of experiments.

Shuttle Columbia blasted into orbit carrying 152 rats, 18 mice, 233 fish, 60 snails, 1,500 crickets and possibly one bat.

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The operators of the Limerick nuclear plant outside Philadelphia called an alert Friday when an unidentified gas odor was detected in the turbine building of Unit One, which was off-line for maintenance. PECO officials say the odor was contained in the building and quickly dissipated, but an investigation is being conducted to determine a cause.

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Researchers from the Massachusetts Institute of Technology in Cambridge say Friday they have discovered a material that could lead to the manufacture of cheaper, lighter and more energy-efficient batteries.

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By Dave Winslow (UPI)

Hourly News Summary

Around the World, Around the Clock...with United Press International.

-0-

The Oklahoma City bombing happened three years ago today. 168 people were killed. Hundreds are gathering in Oklahoma City this morning to remember the victims. Their names will be read and 168 seconds of silence will be held in their honor.

Country singer Randy Travis will be there to sing ``Amazing Grace."

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Leaders from 34 Western Hemisphere nations are talking about establishing a huge free trade zone by the year 2005 with a gross output of more than 13 trillion dollars. It would be the world's largest free trade group.

The leaders are meeting in Santiago, Chile at the Summit of the Americas. Talks also focused on education, reducing poverty, and increasing health services throughout the hemisphere.

The one Western Hemisphere nation not represented at the meeting is Cuba. It's not clear if Cuba will be invited to the next summit but President Clinton has been criticized by other leaders for the 35-year U.S. economic sanctions against the island nation.

Canadian Prime Minister Jean Chretien says he's planning to meet Cuban President Fidel Castro in Havana.

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China has freed a top student activist and sent him into exile in the United States. Speaking shortly after Wang Dan's departure Wang's mother said she was ``extremely happy" with her son's unexpected parole.

Wang was released five months after China freed top activist Wei Jingsheng and just two months before President Clinton is set to visit China.

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About two dozen thrill-seekers were shaken up when they were trapped for two hours on top of a roller coaster loop at Six Flag's Great America amusement park outside Chicago.

Gurnee, Illinois firefighters used ladder trucks to rescue the riders from a double-looped Demon roller coaster yesterday. At least four people suffered minor injuries.

Latin America Fears Stagnation in Trade Talks With U.S.

By CALVIN SIMS

SANTIAGO, Chile, April 18 — President Clinton and 33 other leaders from the Western Hemisphere opened talks here today aimed at making good on their commitment four years ago to create a free-trade zone stretching from Alaska to Tierra del Fuego.

But many Latin American governments, disappointed that Mr. Clinton failed to gain so-called fast-track negotiating authority from Congress last year, expressed serious doubts that a hemispheric agreement on trade would ever be signed.

"There will be a lot of smiling and back-slapping this weekend," said a Latin American finance minister, who spoke on condition that he remain anonymous, "but the reality is that we are growing frustrated and more and more skeptical that the United States is really committed to free trade."

Trade experts have said that unless Mr. Clinton gets fast-track negotiating authority — under which Congress can approve or reject trade accords negotiated by the White House, but not amend them — there is little hope of negotiating a free-trade pact by 2005, a goal set in 1994 at the first Summit of the Americas in Miami.

Facing strong opposition from United States labor unions and members of his own party, Mr. Clinton withdrew fast-track legislation in November after it became clear it would not be enacted.

In a speech at the opening session of the summit meeting today, Mr. Clinton promised to persuade Congress to grant him the authority he wants.

"The United States may not yet have fast-track legislation but we will," he said. "I assure you our commitment to the free-trade areas of the Americas will be in the fast lane of our concerns."

Clinton Administration officials have said that while fast-track authorization will eventually be necessary to conclude a trade accord, the lack of such authority should not preclude the start of formal negotiations here.

Trade officials from Canada, chairman of the hemispheric negotiations, agreed, saying the discussions would proceed despite the lack of fast-track authority.

"Of course it would have been preferable for President Clinton to arrive in Santiago with fast track, but the reality is that much work can and will be done at the front end, without fast-track authority," Canada's International Trade Minister, Sergio Marchi, said in a speech in Toronto this week.

The immediate goal for this weekend, officials said, is to determine the objectives and composition of working commissions that will negotiate various aspects of the agreement and to select the site of a third meeting. Agriculture, services and intellectual property are expected to be among tough negotiating areas.

President Eduardo Frei of Chile,

who is host of the summit meeting, said today that he hoped the weekend meetings would give a definitive push toward the creation of "a hemispheric community."

"In a globalized world, the development of our economies is based on the liberalization of trade," Mr. Frei said. "We must continue fighting protectionism. It is necessary that the talk of free trade translate into real works."

Although government and trade officials say otherwise, a major indication that talks have slowed is that leaders will spend considerable time this weekend discussing other issues, like poverty, democracy, freedom of expression, justice, education, human rights and drug trafficking.

In his speech, Mr. Clinton called on Western Hemisphere countries to do more to address the social problems that plague the region.

"Poverty throughout the hemisphere is still too high, income disparity is too great, civil society too fragile, justice system too weak," Mr. Clinton said. "Too many people still lack the education skills necessary to succeed in the new economy."

The President called for the region to undertake a second generation of reforms with priority given to providing children with education.

Administration officials said summit leaders planned to announce a package of more than \$6 billion in international support for education. Of that, \$3 billion would be in loans from the Inter-American Development Bank and \$3 billion would come from the World Bank. Some \$130 million will come from the United States Agency for International Development.

As the United States wavers on fast-track authority, Latin American countries are forging trade links among themselves, Canada, Europe and Asia — alliances that threaten to put American companies at a competitive disadvantage.

South America's largest trading nations — Brazil, Argentina, Chile, Paraguay and Uruguay — have formed the Mercosur Customs Union, which accounts for two-thirds of the continent's economic activity.

Talks are already under way to merge the Mercosur alliance with the five-nation Andean pact, formed by Venezuela, Colombia, Ecuador, Peru and Bolivia. Together, the two trading groups would form a market of 310 million consumers.

In addition, investment between Latin American countries is rising as more local companies take roles in government privatization throughout the region. It is not uncommon, for example, for Chilean or Argentine companies to hold major stakes in utilities, railroads or pension funds in Brazil, Bolivia or Peru.

Ricardo French-Davis, a United Nations economist in Santiago, said regional groupings were good dress rehearsals for a hemispheric pact.

"It's much easier for the United States to negotiate with a group of countries that has already ironed out its internal problems," he said. "I suggest that everybody take a deep breath and calm down. A hemispheric trade agreement is going to take a while."

Clinton Laments Americas' Problems

By ANTHONY FAIOLA
Washington Post Foreign Service

SANTIAGO, Chile, April 18—On the inaugural day of the second Summit of the Americas, President Clinton heralded the United States' new "partnership" with Latin America, along with the region's economic and democratic transition in the 1990s. But at the same time, he issued a critical analysis of the lingering social problems that leaders here are attempting to grapple with at this weekend's summit and beyond.

"Poverty throughout the hemisphere is still too high, income disparity is too great, civil society too fragile, justice systems too weak, too many people still lack the education and skills necessary to succeed in the new economy," Clinton told the hemisphere's 33 other leaders—all except Cuban President Fidel Castro. "In short, too few feel the change working for them."

Clinton's comments cut to the heart of something that has been overlooked generally during his state visit to the summit site in Santiago, the Chilean capital, that began Thursday. Despite how far Latin America has come politically and economically, critical problems still plague the region's fragile democracies.

Although Latin America has experienced overall economic growth of 15 percent since the first Summit of the Americas in 1994 in Miami, it still has a disparity between rich and poor that is among the greatest in the world. And while there have been leaps from dictatorships into democracies, trouble spots and lapses in the democratic tradition remain throughout the region. Meanwhile, the nar-



BY GREG GIBSON—ASSOCIATED PRESS

In his address, President Clinton praised the hemisphere's economic transition but said too few people "feel the change working for them."

cotics trade is still flourishing in countries such as Colombia and Bolivia, despite attempts to combat the problem.

In efforts to address those issues, several initiatives were agreed to today—and will be signed in a formal accord Sunday. Clinton agreed to launch "security measures" for Latin America including a "multilateral counter-drug alliance" that would attempt to tighten law enforcement on money laundering and help fight an increase in drug consumption.

National security adviser Samuel R. "Sandy" Berger said the measure was not meant to supplant the United States' policy of "certifying" nations for drug cooperation. Instead, the new measure would "supplement" it.

"Let's see how it evolves—the object of both is to increase and intensify cooperation" in the drug war, Berger said. "This will be another instrument at our disposal."

The measures to be signed in Sunday's communique, however, basically lay the groundwork for more specific agreements—and several contained vague language. The na-

tions agreed, for instance, to improve extradition procedures for narcotics-related crimes, but no legislation was suggested that would make such extraditions mandatory.

The first day of the summit also focused on improving Latin American literacy rates. The plan includes a doubling of new loans from the Inter-American Development Bank to \$3 billion, and a 50 percent increase in money from the World Bank to \$3 billion. The money would be used to improve teacher quality, reduce class sizes and increase technology.

"A lot of these democracies are very new, and the gap in education is very wide," said U.S. Education Secretary Richard W. Riley. "I think it is noteworthy [that] virtually all these countries have placed education as a top priority."

FOR MORE INFORMATION

To read the text of President Clinton's opening address at the summit, click on the above symbol on the front page of The Post's Web site at www.washingtonpost.com

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SUNDAY, APRIL 19, 1998

Latin Journalists Under Fire

Hemisphere's Leaders Move to Protect Endangered Reporters

By ANTHONY FAIOLA
Washington Post Foreign Service

SANTIAGO, Chile, April 18—Isabel Chumpitaz, a radio journalist championing the rights of poor farmers in the Peruvian city of Piura, was at home with her family when 12 men stormed in with shotguns and pistols earlier this month.

The assassins, widely believed to be on a mission to silence her popular program "The People's Voice," brutally beat her and shot her to death. Then they tried to rape her mother.

"The reality is that Latin America is still the most dangerous place in the world to be a journalist," said Joel Simon, program coordinator for the Americas for the Committee to Protect Journalists, a New York-based advocacy group.

Even as the era of dictators fades into memory in Latin America, human rights experts say that violence and intimidation against journalists remain among the biggest obstacles to strengthening the region's budding democracies.

In light of the extraordinary violence against journalists, some of it linked to governments, President Clinton and leaders of every other nation in the hemisphere except Cuba will sign an accord Sunday endorsing the creation of a new position of special press advocate at the Organization of American States. The advocate will have authority to bring such cases before the Inter-American Court on Human Rights.

The new position, for which the United States will grant \$300,000 in seed money, was approved today after lobbying by Clinton and U.S. officials. Among the leaders signing the decree will be Peruvian President Alberto Fujimori and Argentine President Carlos Menem, both of whom have been accused of sanctioning threats toward, limitations on and intimidation of the press.

"There are still restrictions [on

the press] in Latin America, and there are still crimes of impunity and intimidation that go completely unpunished," said White House aide Sidney Blumenthal. "We hope this new position will be the beginning of real change."

In 1997, 10 journalists, out of 24 worldwide, were killed in Latin America. And more than 100 documented incidents of intimidation and violence were recorded in the region, making it the world's most dangerous for journalists, said the Committee to Protect Journalists. In Colombia, 43 journalists were killed between 1988 and 1997; during the same period, 18 were killed in Peru and 12 in Mexico.

The violence has happened as Latin American journalism has grown more aggressive. Indeed, reporters' jobs have become increasingly dangerous as new democracies have emboldened the media to conduct in-depth investigations into government corruption and organized crime, Latin American media and human rights experts say.

Though violence can be attributed to several sources, many Latin American governments, most of which are not accustomed to a prying press, have not responded well.

Peru has been the site recently of some of the worst acts of intimidation. Although there is no evidence to suggest that the murder of Chumpitaz had links to the Fujimori government or his private intelligence agency led by the shadowy Vladimiro Montesinos, Peruvian journalists believe that the assassination was related to her role as a crusading reporter critical of policies concerning the poor.

Several other acts are believed to be tied to what appears to be Peru's quest to limit press freedom. Last year, Peru revoked the citizenship of Baruch Ivcher, an Israeli immigrant whose Channel 2 produced a series that looked at torture by the Peruvian Army and examined Montesi-

nos's huge salary.

There have also been institutional attempts to limit press freedoms. In Argentina, press liberties were dealt a blow as the Supreme Court—hand-picked by President Menem—forced the newspaper Pagina 12 to print a response this week from Antonio Petric Domagoj, an alleged underworld figure, after the paper ran an expose on him and his connections to Menem.

"Freedom of the press exists, but it is very manipulated by the government—a government that still resists the idea that they must be held to account by the public," said Horacio Verbitsky, a columnist with Pagina 12, whom Menem called "one of the biggest terrorists in Argentina." Menem added that Verbitsky was "passing judgment on honest and decent people."

"We are living in a time when the press is trying to emerge to be a democracy-building force," Verbitsky said. "But the government isn't making this easy."

To be sure, not all acts against the press were committed by governments. But the new OAS press advocate position is designed to give Latin American journalists another way to have their cases studied by the international community, pressuring nations to conduct their own investigations and curbing their interference and intimidation of the press.

Human rights experts, however, cautioned that the advocate's success would ultimately depend on whether the OAS would enforce the court's judgments, by, say, linking loans or aid from international organizations or other governments to resolving such cases.

"I think we need to see some real power in this new position," said Jose Miguel Vivanco, executive director of Human Rights Watch/Americas. "Otherwise, I'm not optimistic it will result in any real change."

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Zapatistas' Luster Fades—Along With Hopes for Peace

Chiapas Massacre Forces Mexico To Make New Offer to Rebels

By JOHN WARD ANDERSON
Washington Post Foreign Service

SAN CRISTOBAL DE LAS CASAS, Mexico—He emerged from the jungle on horseback, wearing military fatigues and a black ski mask, a double bandolier wrapped around his chest, puffing on a pipe while reciting poetry and leading a ragtag, poorly armed band of Indian guerrillas in a popular uprising against an overwhelming foe.

When Subcomandante Marcos appeared in this colonial town in the Chiapas highlands four years ago and declared war on Mexico, he became an instant sensation, acclaimed as a passionate leftist intellectual, defender of the downtrodden, mysterious sex symbol and military genius. On the eve of Mexico's long-awaited leap from the Third World to the First, he was the very picture of a romantic, modern revolutionary—an articulate, photogenic, latter-day Zapata with his own Internet home page, ready to lead Mexico's impoverished Indians in a fight for justice and equality.

Today, that luster is gone, and with it has faded the hope that the conflict in the southern state of Chiapas—the most resource-rich yet impoverished state in Mexico—will be resolved any time soon. The ongoing rebellion, stalled peace negotiations, and disarray in the government's Chiapas policy seem to foreshadow continuing instability in the state.

"From the very beginning, Marcos had no guns. It was a big bluff, played brilliantly, but he had a lousy hand," said political analyst Jorge Castañeda. "My honest impression is that now he has nowhere to go. He's isolated, he has this strange international constituency, he's surrounded by the army. I think he is lost."

Marcos and his Zapatista National Liberation Army—named after Mexico's early-20th-century champion of landless peasants, Emiliano Zapata—were always outgunned, but many analysts say they also were outmaneuvered and outsmarted by a government that led them into a pro-

tracted peace negotiation, signed an agreement, then refused to honor it.

As the Mexican economy crashed and people found their own financial problems more pressing than the plight of Mexico's 10 million Indians, as the Zapatistas boycotted the watershed 1997 elections and played no role in handing the ruling party its worst electoral defeats in history, Marcos and his group found themselves increasingly relegated to the sidelines of Mexico's agenda.

"They didn't expect how much energy and attention would go into the elections, and how far they would fall off the agenda of civil society," said Eric Olsen of the Washington Office on Latin America, a private think tank. "Everyone's attention went elsewhere, and they ended up with a negotiating process that did not lead to anything. I think the government sort of won."

That was the consensus opinion until last Dec. 22, when the massacre of 45 unarmed Chiapas peasants by a group aligned with the ruling Institutional Revolutionary Party (PRI) changed the dynamics of the Chiapas conflict. Suddenly, it was back in the international headlines, breathing new life into the Zapatista cause and focusing attention on the policies and circumstances that led to such a tragedy.

Chief among those, analysts say, were the stalled peace negotiations that left the conflict unresolved, fueled a sense of mistrust and permitted a power vacuum that was filled by armed groups sympathetic to one side or the other. The groups have stepped in to settle longstanding political, economic, religious, social, ethnic and personal feuds, contributing to a sense of lawlessness and insecurity. Under threat of attack, thousands of people have fled their homes and are living in refugee communities.

After months of denying the existence of the armed groups, federal officials now say there are about 12 such groups, responsible for 300 to 600 killings in recent years. Although independent analysts say most of the groups are aligned with the PRI and

receive funding and weapons from ruling party loyalists, they say the killings have been divided about evenly between supporters of the PRI and the Zapatistas.

The Chiapas stalemate came after government and rebel negotiators agreed to reforms expanding the rights of Mexico's indigenous people, and then the government refused to implement them.

The so-called San Andres accords, signed in February 1996, allowed Indian communities to form local governments according to their customs, recognized the right to education in indigenous languages and guaranteed "adequate" representation in local and national legislatures and in prosecutors' offices, among other initiatives. It was to be the first in a series of negotiated accords to

remedy centuries of discrimination against Mexico's Indians.

But when the government of President Ernesto Zedillo still had not proposed the constitutional and legislative changes necessary to implement the accords seven months after the signing, Zapatista negotiators suspended peace talks, saying the government could not be trusted. The impasse is now 19 months old.

"The federal government, but particularly the presidency, is responsible for the deterioration of the situation," said Margarito Ruiz, an official with the Independent Front of Indian Peoples. "The Zapatistas have behaved more maturely by saying there is no point in restarting peace talks ... when the government has not respected the San Andres accords to begin with."

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During the 10-month San Andres negotiations, "there was a very clear message that the Zapatistas had to convert themselves into a peaceful political organization, and they effectively said yes, but the government did not follow through on the next step," said Manuel Carnacho Solis, who was the government's first peace negotiator with the Zapatistas. "The government signed the agreement, then said, 'Let's negotiate again.'"

The Zedillo administration has never fully explained why it did not move on the San Andres accords, but said that part of the problem was that

"From the very beginning, Marcos had no guns. It was a big bluff, played brilliantly."

Jorge Castaneda,
political analyst

the agreement needed to be recast to be consistent with existing law.

Many political analysts, on the other hand, said the administration could not stomach the autonomy its negotiators had agreed to give to indigenous communities.

Meanwhile, as the government accused the Zapatistas of unilaterally ending discussion, painting the group as unreasonable and intransigent, the conflict remained in limbo and disappeared from the headlines.

Some say Marcos's stardom and ego got in the way, and his relations with reporters soured. The only way he could crack the news was through photo opportunities with luminaries who beat a path to his Lacandon jungle hideout, including film director Oliver Stone, former French first lady Danielle Mitterrand and actor Edward James Olmos.

A march on Mexico City last year that was supposed to demonstrate support for the Zapatistas simply underscored how weak they really were. Since they had voluntarily holstered their weapons early in the conflict, they had no way to force the government to bargain. When Presi-

dent Ernesto Zedillo seemed to praise the Zapatistas for not killing people, it was seen as a public emasculation. Marcos slid from heroic to pathetic. The cause lost momentum.

Until the Dec. 22, 1997, Acteal massacre.

"The government preferred pushing Chiapas to the back burner—it was benign neglect—and it was working," said political analyst Federico Estevez, who served as an aide to President Zedillo early in his term. "But then the massacre came and the government was forced to get the ball rolling again."

Under intense international and domestic pressure, on March 14 Zedillo proposed constitutional changes and legal reforms to grant greater rights to Indians. The government said the package contained the measures agreed to in the San Andres accords, rewritten to conform with Mexican laws.

Marcos immediately rejected Zedillo's initiative, demanding full implementation of the San Andres accords, disarmament and disbanding of all paramilitary-style groups in the state and withdrawal of the army from Chiapas as prerequisites to renewing negotiations. Critics blasted the government for trying to impose a solution.

In a recent meeting with foreign reporters, Emilio Rabasa Gamboa, now the government's top Chiapas trouble-shooter, said Zedillo's proposal was not meant to be a definitive solution to the Chiapas problem but the government hoped it would be a catalyst to bring people together to resolve the conflict. He said the government hopes that as the bill moves through the current session of Congress it will attract a broad consensus and become a vehicle for renewing the dialogue.

An aide to Zedillo, lamenting the breakdown in talks and the continuing stalemate and tension in Chiapas, said the government had no choice but to act on its own. "It's better than nothing," he said.

Zapatista sympathizers and many independent analysts said, however, that while the reforms clearly will benefit Mexico's Indians, that does not mean they will lead to a Chiapas solution.

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Los Angeles Times

(first-edition Page) 1 for Sunday, April 19:

Top of page:

Col 1: In Latin America, it's no longer just the wealthy who are victimized by brutal kidnappings now middle-class people, too, fear being abducted for ransom. (KIDNAP, moved.)

Col 2: Homing pigeons are the couriers in South African diamond mines where employees are accused of stealing the goods at an alarming rate. (PIGEONS, moving Sunday.)

Cols 35: Art of Russo-Japan summit. (Refers to story inside.)

Col 6: As leaders of 34 nations gather in Santiago, Chile, for the second Summit of the Americas, White House officials press an ambitious series of measures to preserve political freedom amid fears that fledgling democracies could backslide toward a darker past. (LATIN-SUMMIT-TIMES, moved.)

Above fold:

Col 2: Feature on Los Angeles International Airport.

Cols 3-4: Parallel surveys in Israel and the United States reveal agreements and disagreements on many issues, as well as potential support among Israelis for liberal, American-style faith. (POLL, moved.)

Below fold:

Col 5: Analysis of California Proposition that would de-emphasize education bureaucracy.

Bottom of page:

Cols 5-6: History has shown that running the corporate giants produced by mega-mergers is a daunting challenge, and one that may result in failure more often than success. (MERGERS, moving Sunday.)

Price Hike for Cigarettes May Not Curb Smoking (Washn) By Alissa J. Rubin (c) 1998, Los Angeles Times

WASHINGTON Growing up in a working-class neighborhood of the Maryland suburbs just outside Washington, Tymiko Jones succumbed to peer pressure and started smoking when she was only 15. Now, seven years later, she smokes half a pack a day of Newports when she is by herself, and as much as three packs if she is out with friends.

Trained as a physical therapist but able to find only part-time work, she spends nearly \$1,000 a year on cigarettes a substantial share of her sub-\$20,000 income. If Congress approves the anti-smoking legislation pending in the Senate, her habit would drain at least another \$500 from her wallet.

Like Jones, most of America's smokers fall toward the bottom of the income scale and can least afford the increase. But will the price hike persuade Jones and others like her to quit, as Congress hopes?

"Even if the price goes up I'll keep on smoking," Jones said. "It keeps me calm."

As Jones' answer illustrates, Congress may be disappointed if it thinks it can turn many people off smoking by jacking up the price. Even sharply higher prices probably cannot stop many heavily addicted smokers from lighting up.

Quitting is by no means impossible, however; the federal Centers for Disease Control estimates that 44 million Americans have done it. And even if the tax, instead of inducing millions more to quit, merely reduced the number of cigarettes consumed by today's smokers, the impact on public health would be positive.

"The health risk is related to the amount of intake ...," said Jack Henningfield, a professor of behavioral science at Johns Hopkins Medical School in Baltimore. "It's not an all-or-nothing issue."

And more important to Congress is the hope that higher prices would keep future Tymiko Joneses from starting to smoke as teens. Research suggests that price increases probably would keep many teen-agers from developing a habit that is so hard to break.

The bill approved by the Senate Commerce Committee would lift the cost of cigarettes by 65 cents a pack in the first year and \$1.10 a pack within five years. In states that already levy stiff taxes on tobacco, the price easily could exceed \$4 a pack for premium brands such as Marlboro.

Although the legislation, which is expected to come to a Senate floor vote at the end of May, is aimed at stopping tomorrow's smokers before they start, its financial burden would fall almost entirely on today's smokers.

And today's smokers, like Tymiko Jones, mostly populate the low end of the income scale, with many falling below the poverty line. Nearly half of federal tobacco taxes are paid by persons earning less than \$30,000 a year.

"It is hard to imagine a more regressive tax hike, and in magnitude it swamps any other tax proposed or enacted in recent memory," said J.D. Foster, executive director and chief economist for the Tax Foundation, a nonpartisan Washington organization that studies tax policy.

"Essentially we're going to tax the 45 million Americans who were the unfortunate kids who started smoking at age 14," said Donald Garner, a law professor at Southern Illinois University.

Those 45 million Americans believe they have enough problems as it is. Dave, a 33-year old carpenter and Marlboro smoker from rural Warrenton, Va., said of the proposed cigarette price increase:

"It stinks that they are going after smokers. Every time the government wants some money, it's, 'Let's tax the gas, everybody drives; let's tax the smokers, a lot of people smoke.' ... They always go after the little people." The Senate Commerce Committee went to great pains not to call its proposed price increase a tax, much as it may look like one. Cigarette manufacturers would be required to pay annual lump sum amounts to the government and pass along the cost to consumers.

Tax or not, economists find that higher prices would lead many adults to reduce their daily cigarette consumption and some to reduce it to zero. Smokers typically say that if Congress voted a price increase of the magnitude approved by the Senate Commerce Committee, they would smoke less.

The cost of quitting is also high. A seven-day starter kit for the nicotine skin patch costs close to \$30, and the follow-up kit for the next two weeks costs \$48.00. Nicorette gum costs just about as much.

Smoking rates are expected to continue to decline even without federal legislation. The bottom line: The Congressional Budget Office says cigarette consumption might fall between 23 percent and 45

countries were read a description of the pact.

Under the accord, secretly hammered out in Oslo and nearby locations while official negotiations were carried out in Washington, Israel agreed to return part of the West Bank and Gaza Strip captured in the 1967 Six-Day War to the Palestinians in exchange for peace and official recognition of Israel's statehood.

Five years later, the scope and timing of Israeli pullbacks from the occupied territories have proven an obstacle to full implementation of the accord.

In both America and Israel, large majorities favor returning some of the occupied land: 69 percent of Americans, 71 percent of Israelis.

Only 18 percent of Americans believe that the on-again, off-again peace process has made Israel more secure; 28 percent of Israelis do. By comparison, 35 percent of Americans and 33 percent of Israelis believe that the peace process has made Israel less secure.

And the day is apparently far off when Israelis would be willing to call Palestinians not just neighbors but friends. Two-thirds of Israelis say they hold an unfavorable impression of Palestinians; 35 percent say it is "very unfavorable."

Perhaps surprisingly, though, Americans hold a more negative view of Palestinian Authority President Yasser Arafat's intentions than do Israelis.

Although essentially half of Israelis believe that Arafat sincerely wants peace, they nevertheless don't like him, with 83 percent holding an unfavorable impression.

Both American and Israeli Jews believe that Israeli Prime Minister Benjamin Netanyahu is sincere about moving the peace process forward: 60 percent in the United States, 63 percent in Israel.

Opinion over Israeli Prime Minister Benjamin Netanyahu is divided.

A 36 percent plurality of each group, Israelis and Americans, believes that Netanyahu's government has made things between the United States and Israel worse. Only 19 percent of Americans and 20 percent of Israelis believe that his government has made things better.

Kidnapping in Guatemala: A Case Study (Guatemala City) (c) 1998, Los Angeles Times

GUATEMALA CITY Throughout the Salvadoran conflict, Luis Navarrete and his family never budged from their ranch near San Jose Cancasque, about 12 miles from the Honduran border deep in rebel territory. "We did not get involved with either side, and they left us alone," said Luz Navarrete, his wife of 25 years.

In February, 10 heavily armed men wearing police uniforms roused the 70-year-old Navarrete from bed and took him. They left behind his daily heart medication and a note demanding a \$500,000 ransom. When the family said that they could not pay, the kidnappers cut off communication.

"Even if I sold everything, I would not have that much money," said his wife, gesturing toward the laundry sink on the patio, the pig in the paved-over front yard and the concrete-block house.

Such modest comforts make the Navarrete family seem prosperous amid the adobe huts of Chalatenango, El Salvador's poorest province. In addition, Navarrete often lent money to other farmers, people in the area said. His wife explained that he could make loans not because he is wealthy, but because he harvested sesame seeds at a time when neighbors were planting corn. He would lend them money and, when they repaid him, sow again.

Now, with planting season approaching, area farmers said they do not know where they will get the money for seeds and fertilizer without Navarrete.

Police say they are tracking the movements of a gang they suspect in the kidnapping and that they think the gang members will lead authorities to Navarrete. Then their plan is to rescue him. Their biggest concern, they say, is whether he could have survived this long without his heart medicine.

Kidnapping in Guatemala: Evolution of a Crime (Guatemala City) (c) 1998, Los Angeles Times

GUATEMALA CITY Kidnapping used to be a problem of the very rich. Leftist guerrilla groups throughout the region carefully planned abductions for multimillion-dollar ransoms to finance their causes.

Their victims read like a cross between the Social Register and a sort of Latin American Forbes 400 list: Monterrey industrialist Eugenio Garza Sada was kidnapped and killed in Mexico in 1973; guerrillas grabbed businessman Ernesto Regalado Duenas of El Salvador in 1971; and other choice targets unwillingly contributed millions of dollars to rebel coffers in the rest of Latin America.

Such abductions became less frequent as the wealthy hired security consultants, installed alarm systems and took other precautions.

Even so, guerrillas still prefer kidnappings they can justify on ideological grounds. The favorite targets of the National Liberation Army, Colombia's second-largest guerrilla group, are foreign business executives and international oil company employees. The ELN, as the group is known, opposes foreign ownership of Colombian companies.

Still, the business in Colombia despite the threat of guerrilla kidnappings. But the increased risks and costs for security guards, training and ransoms are reflected in the deals that they make with the government. That ultimately costs the national treasury money.

As the civil wars intensified in Central America and Colombia in the late 1970s and the '80s, insurgents, the armed forces and the extreme right all began kidnapping for political reasons: to trade for imprisoned comrades or to "persuade" victims sometimes by torture to betray secrets, leave the country or change their behavior.

Colombian drug kingpin Pablo Escobar brought political kidnappings to a new level when he abducted nine prominent journalists and held them for 18 months in 1990 and '91. He used his captives in his successful campaign to force the Colombian government to ban extradition of Colombians, a prohibition that was not lifted until last year, five years after his death in a shootout with the army.

Political kidnappings continue. Last year, the Revolutionary Armed Forces of Colombia (FARC), the nation's largest guerrilla group, enforced its opposition to local elections by kidnapping 440 mayors, city council members and candidates for municipal office. On their release, under threat of death, nearly all of the captured candidates withdrew from their races.

Guatemala: A Country Held Hostage by Kidnapping By Juanita Darling (c) 1998, Los Angeles Times

GUATEMALA CITY In life, Beverly Sandoval was the family merrymaker, the oldest daughter who played practical jokes and decorated the Christmas tree.

In death, she has become the symbol of a nation's pain and rage.

Her burial on a misty day in November resembled a state funeral. Guatemalans filled the long road to a cemetery outside the capital, tossing flowers onto her hearse. Mourners waved banners reading, "Basta Ya!" (Enough Already).

"What we want is for there to be no more Beverlys," said her stepfather, Gerbert Sole, fighting back tears. The 20-year-old forestry-engineering student died in an epidemic that has stricken thousands of middle-class families like hers throughout Latin America.

She was kidnapped.

In Guatemala, kidnapping has spread so rapidly that citizens' groups only started keeping statistics in 1997. "What I can assure you is that since 1996, (kidnapping) has increased monstrously and become more and more damaging," said Michelle de Leal of Anguished Mothers, one of three anti-kidnapping organizations here.

Colombia has recorded more than 1,000 kidnappings every year since 1993. The number of abductions rose by nearly two-thirds from 1993 to 1997, according to Pais Libre, an anti-kidnapping organization.

The toll also is growing in neighboring countries as kidnappers expand operations by exporting their skills. In addition, Mexico, Brazil and Ecuador are suffering rushes of abductions, authorities said.

Kidnapping is a simple crime to commit and a difficult one to investigate, making it an easy, quick way to get money.

The region's armed conflicts of the 1970s and 1980s left a legacy of former soldiers and guerrillas who know how to use guns and abduct people but have few other skills. Now they are using their wartime training to organize kidnapping rings. Other criminals are learning from their example.

Critics blame the police and courts for ineptitude and corruption that allows kidnappers to get away with their crime. The low risk makes it worthwhile to abduct for ransoms of \$50,000 or less; thus, the pool of potential victims has broadened considerably. Kidnapping is no longer just a crime against the wealthy.

Today's victims are people like Beverly, a leather wholesaler's stepdaughter who was driving through the mountains near the colonial town of Antigua. They include a teen-ager waiting for a school bus in Guatemala City; a septuagenarian sleeping in his concrete-block ranch house in northern El Salvador; and a retired teacher bird-watching a few hours' drive from the Colombian capital, Bogota.

Psychiatrists and law enforcement officials warn that so many abductions create societies that are at once fearful and callous. "We are trying to sensitize people with television and publicity campaigns so that we don't just become accustomed to this," said Ruben Dario Ramirez, Colombia's anti-kidnapping czar. "We have to struggle for freedom and side with those who have lost their freedom." Kidnappings are often brutal, and victims sometimes are killed over ransoms that are less than the winnings from a lucky weekend in Las Vegas.

In Pereira, Colombia, kidnappers suffocated 4-year-old Brian Steven Ramirez when his parents failed to come up with a \$5,000 ransom in December 1996. Eight-year-old Oscar Suazo was found hanged in rural Honduras in February after his coffee-growing family told abductors they did not have the \$11,000 needed to free him, his father told police.

Because victims usually are killed unless the kidnappers' demands are met, most countries have legalized ransom payments. "Before, the idea was that every family had to offer up its dead, like a sacrifice," said Marta Lucia Aristizabal, a Colombian psychiatrist who has worked with more than 400 kidnapping victims and their families. "But that was cruel."

Instead, authorities are trying other strategies.

Police departments have set up special anti-kidnapping units, legislatures have passed stiffer sentences including instituting the death penalty for kidnapping in Guatemala and families have taken precautions, such as sending their children to private school in unmarked buses. Still, the number of abductions remains alarming.

Colombia recorded 92 kidnappings in January, on its way to what appears to be another 1,000-plus year. In Guatemala, the citizens' group Neighborhood Watch recorded 503 abductions from January to mid-March. Guatemalan police officially say those figures are inflated but refused to provide their own statistics. Privately, officers acknowledge that they receive an average of 10 kidnapping reports a week and believe that less than half of all abductions are reported.

Law enforcement officials are so concerned that Colombia organized a regional meeting last week to brainstorm and try to find solutions by sharing information and experiences.

Critics say the problem is that there has been too much talk and not enough action. Guatemala's Neighborhood Watch even advocates a constitutional state of emergency that temporarily would set aside civil rights to permit roundups of suspected murderers, drug dealers and kidnappers.

Central America's experience shows that the end of civil war can be just the beginning for abductions.

During the decade of the 1980s, when El Salvador was at war, a total of 38 kidnappings were reported to police. Last year alone, there were 39. Police acknowledge that citizens may be reporting more abductions because of increased confidence in the 6-year-old civilian police force that replaced the military police, but they say they believe the numbers reflect mainly rising crime.

In July 10 months after 16-year-old Abraham Suster was released by kidnappers who captured him outside his high school police found the underground cell where he was held for nearly a year. The cell contained both his book bag and a rental agreement that led to another hiding place.

Guillermo Sol Bang a prominent industrialist and leader of the extreme right-wing Nationalist Republican Alliance, or Arena recognized the second place as the same cell he was held in for six months in 1991.

Kidnapping survivors Eduardo Sahame, a well-known businessman abducted before Sol Bang, and Alberto Antonio Hill, a 24-year-old who was released four months before Suster's kidnapping, each remembered one of the cramped spaces from their captivity.

Economic Reform Plan May Be Litmus Test for Democracy (Mexico City) By James F. Smith (c) 1998, Los Angeles Times

MEXICO CITY The government's package of reforms to revive the sickly banking industry, the acknowledged weak link in Mexico's economic recovery, is becoming a litmus test for the nation's newly democratized political system.

The executive branch earlier this month sent to Congress a legislative package that would rewrite the way Mexico manages its financial system, including greater independence for the central bank and an end to restrictions on foreign investment in Mexican banks.

Finance Ministry officials are getting used to appearing constantly before committees of the lower house of Congress, which came under control of opposition parties for the first time in elections in July, to

defend the package of proposals.

The measures are expected to pass sooner or later, but not without horse-trading and amendments sought by opposition parties, which are determined to prevent the long-dominant Institutional Revolutionary Party from continuing to dictate every policy change in Mexico.

Effective legislative oversight, opposition deputies insist, will help avoid the hurried, ill-conceived financial reforms of recent decades that helped get Mexico into so much economic trouble in the first place.

No one disputes the immense scale of the banking crisis that arose after the December 1994 peso devaluation and severe recession that followed in 1995. Of the 18 Mexican banks that were privatized starting in 1991, 13 either have been taken over by the government or sold since 1994.

While shareholders lost fortunes, the government bailed out depositors by purchasing the assets of bankrupt and troubled banks, much like the U.S. savings and loan bailout of the 1980s.

Through the government's bank rescue fund sits with a huge pool of 552 billion pesos nearly \$65 billion in assets, many of highly questionable worth. Even after selling off the better assets, the cost of the bailout is expected to be equal to 14 percent of Mexico's annual gross domestic product.

The surviving, recapitalized banks have just barely begun to resume any significant lending. Economists say greater access to capital is critical if Mexico is to continue its broad recovery, which since 1996 has been built on manufacturing exports (thanks to the weakened peso) rather than domestic economic activity. With the Asian crisis slowing world exports, healthier bank lending to spur domestic growth is more vital than ever.

"We have managed to recover effectively from the crisis, but the demand for credit in the second half of this year and next year is going to be tremendous, and we need healthy banks to be able to respond to that demand," said Victor Herrera, director general of Standard and Poors in Mexico City.

Martin Werner, the Finance Ministry under-secretary who has engineered the financial reform package, said last week that his team was working virtually full time with Congress to explain the measures and get them approved.

He described the process as a "test of fire" for Mexico's emerging political democracy as well as a central aspect of economic transformation.

Mexico has been beset by six-yearly crises since 1982 as successive PRI governments have brazenly overstimulated the economy at election time, usually with disastrous consequences. In 1995, after the peso lost more than half its value, inflation soared to more than 50 percent and unemployment more than doubled.

The package of financial measures includes:

Giving full control over exchange rate policy to the Bank of Mexico, the country's central bank. Currently the bank shares that responsibility with the Finance Ministry, which has a tie-breaking vote. President Ernesto Zedillo also recently appointed former Finance Secretary Guillermo Ortiz to a six-year term as governor of the central bank, ensuring that Zedillo's supporters will exert continued influence long after the elections in the year 2000.

Giving more autonomy and power to the National Banking and Securities Commission to supervise the banking industry, in theory reducing the likelihood of further banking scandals like those that have helped sink several banks in recent years, most recently Confia. That Monterrey-based bank has now been bought by Citibank.

Removing all limits on foreign investment in Mexican banks. Current law restricts foreign investment in the biggest Mexican banks to 20 percent.

Create two new separate bodies, one to sell off the bailout assets and the other to provide deposit insurance. Such insurance would be reduced from the current unlimited coverage to a ceiling of about \$125,000, encouraging large depositors to be more diligent about the banks' management of their investments.

Dolores Padierna, a deputy for the opposition left-of-center Party of the Democratic Revolution, said she expects the package to be approved in amended form but not under duress from the PRI.

"We cannot afford to fail again," she said. "There is a real need to achieve financial reform, but the banking crisis is problem is too serious to act without thorough analysis."

Her party will agree to consider the less controversial aspects soon, including the central bank reforms, but the banking assets issue and foreign investment limits are more complex and may require a few months' debate, she said.

erry Sanford, a former North Carolina governor and U.S. senator, dies at 80
AGE A3

Senator Nick Longrich's bill to ban anti-smoking bill approved by a Senate committee this month will pass Congress
AGE A4

ith internal strife the tentative Northern Ireland's main Protestant party endorses a peace agreement.
AGE A7

ties between South and South Africa with no breakthroughs on reuniting families
AGE A9



omeback win
ernic Bickerstaff and the Wizards take a timeout during their victory over Boston last night. Washington can make the playoffs if Orlando and New Jersey both lose today
AGE C1

IFL draft day
he Redskins take a tight end in the first round. Peyton Manning and Ryan Leaf were picked first and second.
AGE C1



f and when
riday's bombings in Louisiana, 10, have local residents wondering when and where the next one will explode.
AGE A10

ane's hunger index
toss Fonda's remarks disparaging Georgia are the latest in a list of smears against the South.
AGE B1

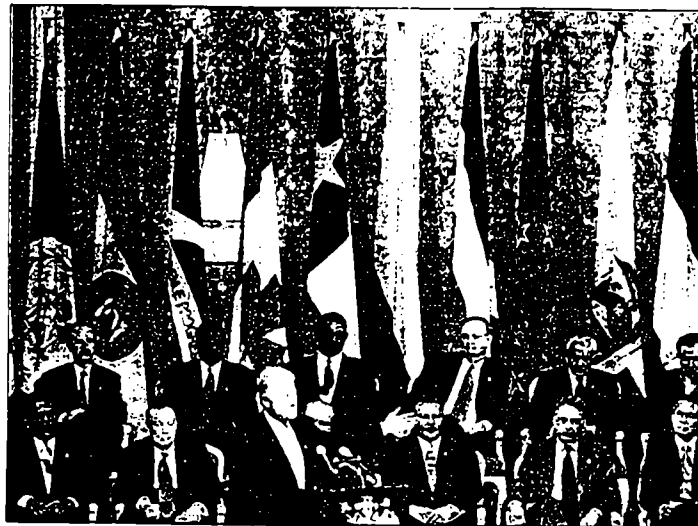
le's got rhythm
George Gershwin would have turned 100 this year. A Pulitzer-winning musician and is Grammy-nominated wife perform Gershwin's songs today at the Smithsonian's new Auditorium
AGE D1

lurder Inc.
wish gangsters and a different version of the American dream.
AGE D6

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President Clinton addresses 33 hemisphere leaders at the Summit of Americas in Santiago, Chile, yesterday.

Summit opposes U.S. on Cuba

Most hemisphere leaders see no reason to isolate Fidel Castro.

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — Nations attending a Western Hemisphere summit yesterday pressed for new overtures toward Cuba, leaving the United States alone in its policy of trying to isolate Fidel Castro. Most dramatic was a report that Canadian Prime Minister Jean Chretien will visit Cuba sometime in the next several weeks. His trip follows a visit to the island earlier

this year by Pope John Paul II. Other leaders at the 34-nation Summit of the Americas, where Cuba is the only nation of the hemisphere not invited, called for its inclusion at the next such gathering.

This should be the last summit without Cuba," said Prime Minister Owen Arthur of Barbados. President Alberto Fujimori of Peru said that Cuba's exclusion is "unfair because the country is no threat to anybody."

U.S. officials played down the dispute, which came on the first day of a summit that the United States, the only major power at the conference, describes as evidence

that the once-feuding nations of the region are now cooperating on a broad range of issues, from drugs to development.

Cuba was not formally on yesterday's agenda, which dwelt on ways to bolster the Western Hemisphere's new democracies and improve its education systems. On these topics there were abundant signs that leaders from north to south are on the same wavelength.

Even on the subject of Cuba, nations share the goal of promoting

see CUBA, page A4

There's more in Clinton's trips than wanting to leave town A1

Justice supports Jones stance in high court case

The solicitor general wants to oppose the "one-free-flash rule" in arguments Wednesday.

By Frank J. Murray
THE WASHINGTON TIMES

The Justice Department has unexpectedly asked the Supreme Court to uphold a novel doctrine of sexual harassment law that likely would assure a trial in Paula Jones' lawsuit against President Clinton.

The question, raised in a separate case, that could revive the Jones case is whether a single instance of boorish sexual overture — the "one-free-flash rule" — is enough to make a woman fear for her job, or if she must prove directly related punishment or "tangible job detriment."

Congress intended to strike at the entire spectrum of disparate treatment between men and women, not simply discrimination that causes tangible harm," Solicitor General Seth A. Waxman said in his brief that proposed less damages in such cases but not vindication.

The Justice Department filing puts the Clinton administration directly at odds with Mr. Clinton's personal attorney, who called a ruling in the case of Burlington Industries vs. Kimberly Elterth "substantially out of step" with federal case law.

On rare occasions in each Supreme Court term, the Justice Department asks to argue its views in a case even though it is not a party. Mr. Waxman expects to learn tomorrow if he will be given time to

argue that theory as friend of the court at Wednesday's hearing.

Without mentioning the Jones case, Mr. Waxman and the Equal Employment Opportunity Commission brief contradicted the doctrine cited by Judge Susan Webber Wright when she threw Jones vs. Clinton out of her court.

The court finds that a showing of a tangible job detriment is an essential element of plaintiff's quid pro quo sexual harassment claim," Judge Wright wrote in her April dismissal. She relied on decisions from the 8th and D.C. circuits that women claiming a boss demanded sex in exchange for job favors must prove retaliation or harm — "tangible job detriment."

Mrs. Jones' attorneys were startled yesterday at the government's blunt opposition to legal arguments put forth by the president's attorneys.

"Here you've got the United States, speaking through its solicitor general, telling the Supreme Court something diametrically opposed to the position being advanced by the president of the United States in his own private litigation," said Donovan Campbell Jr., Mrs. Jones' lead counsel in the case now on appeal.

In Mrs. Elterth's case, the sexual overtures were primarily crude remarks by a boss located in another city who said he could make her job easy or hard, while Mrs. Jones claims that when she was an Arkansas state secretary and Mr.

see JUSTICE, page A5

GOP members almost rule out impeachment hearings in 1998 A5

Special Report

Staring death right in the face

Witnessing execution has lasting effect

By Gerald Mizejewski
THE WASHINGTON TIMES

When Angel Francisco Breaud died by injection at 10:39 p.m. Tuesday, the last faces he saw were the six official witnesses who sat in a glass-enclosed room about 10 feet away — close enough to see the convicted killer's hands go limp.

Virginia used to hang killers in public. Now the condemned die behind closed doors. But the public is still there in spirit, in the eyes and minds of those chosen to witness executions.

Sometimes the witnesses are simply curious Virginians — men and women who filled out a witness application form. Sometimes they are friends or loved ones of the victims. Either way, it's a gut-wrenching experience, those who have acted as witnesses told The Washington Times.

Flash back to July 17, 1997, when cop-killer Roy Bruce Smith was pronounced dead at 9:07 p.m. Smith's body, strapped in a gurney, was wheeled away by prison guards. Case closed, the state said.

Coming home from the execution that night, Manassas police Lt. Kevin Colovos had a chance to wonder: Did he feel better after witnessing the execution of the man who killed a brother officer?

No. In his mind, Smith got off easy. It was his friend, Sgt. John Conner III — who died hard, shot in the side yard of a housing development.

"I have to sound like a sadistic person, but [the killer only] went to sleep at his execution," said Lt. Colovos, 45.

John suffered John suffered tremendously.

Here's what Lt. Colovos and the other witnesses went through that evening: The procedure rarely changes. Friend's witnesses saw and heard the same things as those who watched Smith die.

A few hours before an execution, the six official witnesses are taken by van into the high-security com-

see DEATH, page A6

Va. prosecutors have distaste for putting criminals on death row. A6



Manassas police Lt. Kevin Colovos witnessed the quiet execution of the killer of Sgt. John Conner III (painting). He feels the murderer got off easy.

Suspect in killing hangs self in jail cell

Aaron Needle's trial in the September death of Alfredo Enrique Tello Jr. was to start tomorrow.

By Kristin Trugman
THE WASHINGTON TIMES

Montgomery County jail guards found Aaron B. Needle hanging by a headsheet in his cell yesterday, only two days before his trial on charges that he killed, dismembered and burned another teenager in September. Montgomery County police said.

"No foul play is suspected. He was in the cell alone," said police spokeswoman Ann Evans.

Mr. Needle, 18, was charged in the slaying of Alfredo Enrique Tello Jr., whose charred remains were found in a vacant home in Aspen Hill.

Also charged in Mr. Tello's death is Samuel Shernbein, 17, who fled to Israel shortly after the killing.

see NEEDLE, page A6

Nichols may make deal, link others to bombing

The prosecutor in Oklahoma says he would consider a plea bargain.

By Valerie Richardson
THE WASHINGTON TIMES

DENVER — For three long years, Timothy McVeigh and Terry Nichols have maintained a stony silence on who else may have helped them plot the deadliest act of terrorism on American soil.

Speculation is swirling that Nichols, 42, may be ready to enter into a plea bargain that would give him a lesser sentence in exchange for information about the Oklahoma City bombing conspiracy

The April 19, 1995, blast destroyed the Alfred P. Murrah Federal Building, killing 168 persons.

Rumors of a plea bargain began flying last week when Oklahoma City District Attorney Robert Macy, who had vowed to seek the death penalty for Nichols in a state trial, told reporters he would consider such a deal in exchange for "substantial" information about the bombing.

"That's a significant retreat from his prior position," said Scott Robinson, a Denver defense lawyer and trial expert. "As long as he said, 'No deal; it's die or fry, there was no possibility of Nichols talking.'"

see NICHOLS, page A5



Oklahoma City bombing conspirator Terry Nichols is said to have a 'shred of human decency.'

Shroud of Turin display gives new life to debate

The ancient cloth is thought by some to bear the image of Christ.

By Jude Webber
REUTERS NEWS AGENCY

TURIN, Italy — The Shroud of Turin, a yellowing sheet bearing the inexplicable image of a crucified man that some revere as Christ's burial cloth, went on display yesterday for only the fourth time this century.

Enclosed in a glass case filled with inert gas, the fragile linen cloth was hung in Turin's cathedral, where up to 50,000 people a day are expected to line up to contemplate one of Christianity's most

enduring — and controversial — mysteries.

Cardinal Giovanni Salardini, Turin's archbishop and the custodian of the Shroud, prayed before the cloth at an inaugural Mass in the 15th-century church, where it was draped in purple.

The Shroud is visible in order for eyes to see it — but it is not visible only to satisfy even the most legitimate desire to know nor still less to satisfy curiosity, rather to appear to us as a solemn reminder full of impressive details of the Gospel accounts of the Passion of Jesus," he said in his sermon.

The public will be allowed in from today until June 13. It is the

see SHROUD, page A9

Summit opposes U.S. on Cuba

■ Most hemisphere leaders see no reason to isolate Fidel Castro.

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — Nations attending a Western Hemisphere summit yesterday pressed for new overtures toward Cuba, leaving the United States alone in its policy of trying to isolate Fidel Castro.

Most dramatic was a report that Canadian Prime Minister Jean Chretien will visit Cuba sometime in the next several weeks. His trip follows a visit to the island earlier

this year by Pope John Paul II.

Other leaders at the 34-nation Summit of the Americas, where Cuba is the only nation of the hemisphere not invited, called for its inclusion at the next such gathering.

"This should be the last summit without Cuba," said Prime Minister Owen Arthur of Barbados.

President Alberto Fujimori of Peru said that Cuba's exclusion is "unfair because the country is no threat to anybody."

U.S. officials played down the dispute, which came on the first day of a summit that the United States, the only major power at the conference, describes as evidence

that the once-feuding nations of the region are now cooperating on a broad range of issues, from drugs to development.

Cuba was not formally on yesterday's agenda, which dwelt on ways to bolster the Western Hemisphere's new democracies and improve its education systems. On these topics, there were abundant signs that leaders from north to south are on the same wavelength.

Even on the subject of Cuba, nations share the goal of promoting

see CUBA, page A4

• There's more to Clinton's trips than wanting to leave town. A4

CUBA

From page A1

democracy there, said U.S. National Security Adviser Samuel R. Berger.

But it is clear that there is little agreement on the means.

U.S. officials were particularly cool toward Mr. Chretien's planned visit to Cuba, of which he informed Mr. Clinton in a phone call several days ago.

"We have not seen much evidence that constructive engagement with Cuba has produced any material results with respect to human rights or democracy, but I would hope that Prime Minister Chretien would pursue that agenda," Mr. Berger said.

There also have been some rumblings about readmitting Cuba to the Organization of American States, although U.S. officials said they have heard no formal proposal on that score.

U.S. policy is to keep the Castro regime isolated until it undertakes democratic reforms, as nations from Nicaragua to Chile have. Admitting Cuba to the OAS would be "mighty ironic," Mr. Berger said, since its charter now has a provision to toss out any country where democracy is overturned.

As to these summits, Orlando Rodriguez, a representative of the Cuban opposition group Concilio Cubano, said it would be wrong for democracies to invite someone such as Mr. Castro "who is the opposite of what democracy is. It's a question of morals and principles." Rather, he said, members of Cuba's democratic opposition should be invited to attend at the next summit, which will take place in Canada in two or three years.

Complaints from Latin nations and Canada — as well as Europe — about U.S. policy toward Cuba are nothing new. But they come at a time when Washington is trying to put its relations with Latin America on a more equal footing, replacing the mutual recriminations and suspicions of the recent past.

For example, the summit leaders yesterday agreed to launch a new, hemispherewide anti-drug

U.S. officials were particularly cool toward Canadian Prime Minister Jean Chretien's planned visit to Cuba.

alliance that will include mechanisms for evaluating each nation's progress in fighting drug trafficking. The initiative is aimed at taking the sting out of Congress' annual drug certification process, a unilateral judgment that other nations regard as insulting and patronizing given the U.S. standing as the world's No. 1 drug consuming nation.

Rep. Benjamin A. Gilman, New York Republican, and Rep. Dennis Hastert, Illinois Republican, criticized the summit nations' stand on narcotics. "The renewed assault on the annual drug certification process sounds pretty much like the old 'blame America first' crowd is back in business, focusing this time exclusively on drug 'demand' in the United States," they said in a statement circulated here.

White House officials said that, in fact, the sessions yesterday were remarkably free of anti-American rhetoric.

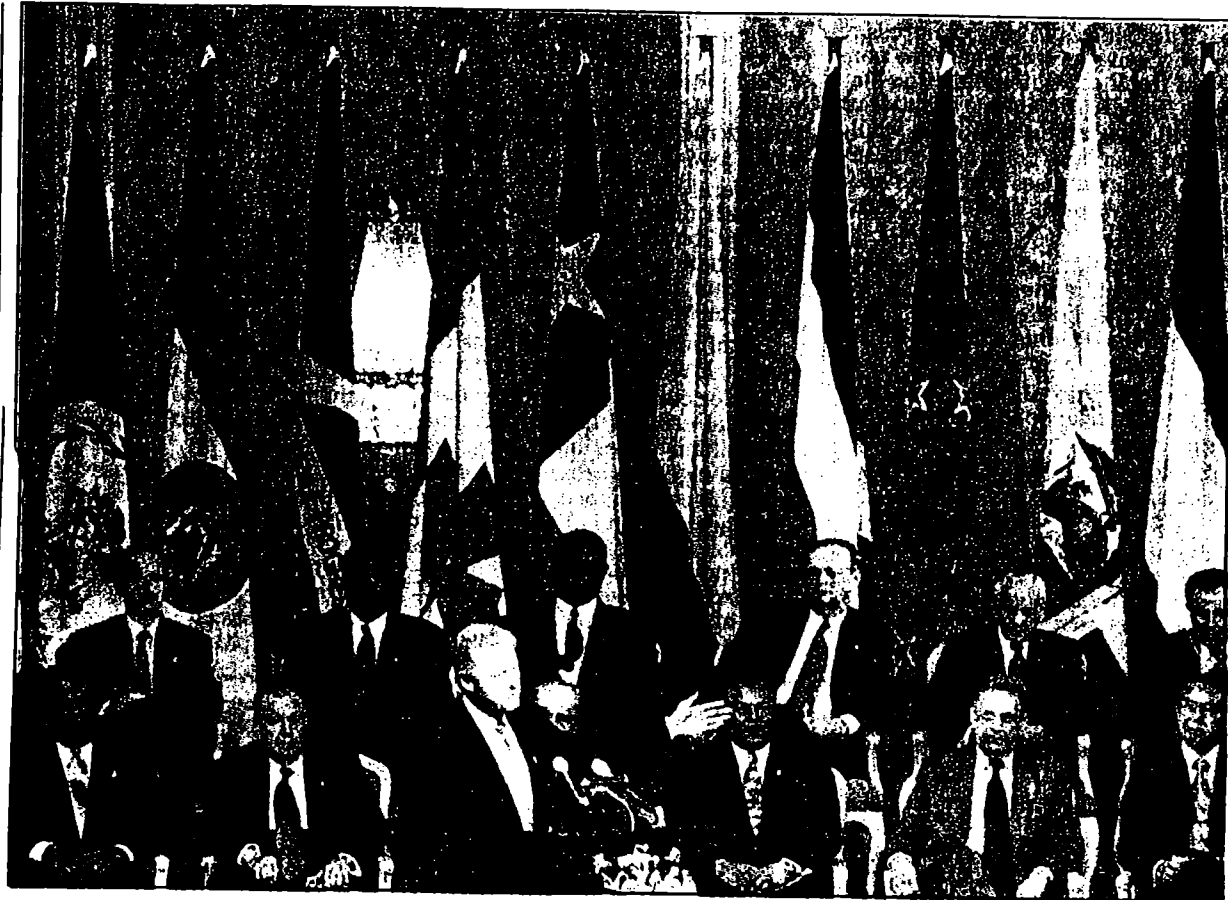
Washington's leadership in the hemisphere has been called into question by several developments, most prominently Congress' refusal to give Mr. Clinton "fast-track" trade negotiating authority. In his opening statement to the summit, the president tried to allay those concerns, saying, "The United States may not yet have fast-track legislation, but we will."

U.S. officials, trying to tread a fine line, said it is possible for the United States to simultaneously be a leader and a better partner.

"It's clearly more of a partnership... But I don't think that takes away from the recognition of our leadership, the expectation of our leadership," said Thomas F. "Mack" McLarty, the president's special envoy to Latin America. "One does not preclude the other."

The Washington Times

SUNDAY, APRIL 19, 1998



President Clinton addresses 33 hemisphere leaders at the Summit of Americas in Santiago, Chile, yesterday. ^{AP}

The Washington Times

SUNDAY, APRIL 19, 1998

Wandering Clinton seeks a place to leave his mark

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — All his life, President Clinton wanted nothing more than to make it to Washington. Now it seems all he wants to do is leave.

Since March 22, Mr. Clinton has spent six full days in Washington. In the interim, he's been to Ghana, Uganda, Rwanda, South Africa, Botswana, Senegal, Kansas City, Chicago, Kentucky's tobacco country, Camp David, Houston for a forum on race, tornado-ravaged Alabama and now Chile.

The trite explanation for the president's wanderlust is that he wants to escape the uninviting milieu of Washington, where his administration remains mired in the muck of scandal.

That may be part of the story, but White House officials and outside observers say there is more.

Mr. Clinton has long thrived by taking his message outside of Washington, where he can meet the voters and go over the heads of a Republican Congress and a cynical national media. On Capitol Hill, the 1998 midterm election year is shaping up as one of the quietest legislative sessions in recent memory, giving the president less reason to hang around.

And much of his foreign travel, like the summit of Western Hemisphere leaders that opened here yesterday, was set long in advance, reflecting the dreams of a second-term president who wants to secure a legacy in foreign affairs.

"Presidential travel probably goes up the longer a president is in office," especially if he wins a second four-year lease, said presidential scholar Stephen Hess of the Brookings Institution.

Mr. Clinton has planned at least four more foreign trips this year, including a May trip to Germany, England and possibly Ireland; a



Costa Rican President Jose Maria Figueres greets Chilean President Eduardo Frei at the Summit of the Americas as their wives meet in the background. President Clinton joined the leaders yesterday in Chile.

late-June mission to China and possibly Japan; a September tour of India, Pakistan and Bangladesh; and a November trip to Malaysia for an annual Asia-Pacific summit.

"Presidents, particularly Bill Clinton, get interested in international affairs the longer they're in office," Mr. Hess said. "This might be part of the legacy operation."

Pundits like Mr. Hess can speculate all they want, said White

House spokesman Joe Lockhart.

The truth is, Mr. Lockhart said, the president has a strong agenda at home, and "he's going to the places where he thinks he can highlight the need to pursue these policies." He cited the Kentucky stop, where the president pushed anti-smoking legislation the day after a leading tobacco company pulled out of last year's tobacco deal.

The president's foreign travels bring results, too, the spokesman said, citing his previous visit to Northern Ireland, which the White House believes was instrumental in spurring the process that led to a peace accord earlier this month.

Still, there are signs that Mr. Clinton and his aides are worried about the amount of time he has spent on the road lately. The president can hardly tar Republicans

"Presidents . . . get interested in international affairs the longer they're in office. This might be part of the legacy operation."

—Stephen Hess,
Brookings Institution

as presiding over a "do-nothing Congress," as he plans if they don't pass his legislative priorities, if he has been gone all the time himself.

The White House has drafted a hectic in-town schedule for the president next week. With Congress returning from recess, it is designed to demonstrate that the president is active and engaged. He meets Tuesday with Democratic leaders to discuss their legislative agenda for the rest of the year. The president may soon hold his first Washington news conference in months.

"There'll be, certainly, a lot more action in Washington the next few weeks," Mr. Lockhart said.

While the 12-day Africa trip, to nations never before visited by a U.S. president, went well logistically, Mr. Clinton's hectic international schedule is beginning to take its toll.

Fresh advance people have been dragooned into the elaborate preparation process for a presidential trip abroad. One veteran White House advance official flew directly from Africa to Germany, where Mr. Clinton next month will celebrate the 50th anniversary of the Berlin airlift, returned to the United States for a day and then went on a scouting trip to China.

The Washington Times
SUNDAY, APRIL 19, 1998

As Top Dissident Lands in U.S., China Is Hoping to Score Points

Thousands of Activists Languishing in Obscurity

By ERIK ECKHOLM

BEIJING, April 19 — Wang Dan, a leader of the 1989 Tiananmen democracy movement, entered freedom, and exile, in the United States today, in a move the Chinese Government clearly hopes will score points with the Clinton Administration.

Mr. Wang's release from prison had been repeatedly requested by Washington as a tangible sign of progress on the sticky issue of human rights and it comes two months before President Clinton's planned visit to China. The American and Chinese Governments both say they want to cement a "strategic partnership," building closer economic and political ties despite differences over trade and human rights.

The Chinese Government said that Mr. Wang, who was serving an 11-year sentence on charges of conspiring to subvert the state, was freed on medical parole. After arriving in Detroit today, Mr. Wang was hospitalized for medical evaluation but said he expected to hold a news conference in New York on Thursday. [Page A6]

A White House spokesman with President Clinton's entourage at a meeting in Chile of hemisphere leaders, Eric Rubin, said today of Mr. Wang's release, "This is something we have been urging them to do for quite some time."

Rights advocates in China and elsewhere, while welcoming Mr. Wang's release, worried that it could



Wang Dan had a physical exam after arriving in Detroit yesterday.

FREE-TRADE ZONE OF THE AMERICAS GIVEN A GO-AHEAD

LEADERS SCHEDULE TALKS

But Opposition in U.S. Shifts
Focus of Summit Meeting
to Social Conditions

By CALVIN SIMS

SANTIAGO, Chile, April 19 — Leaders of 34 countries in the Western Hemisphere took a first step today toward creating the world's largest free-trade zone, one that would span the Americas.

In a joint declaration signed by President Clinton and 21 other presidents and 12 prime ministers, the leaders said that talks on the subject would begin in September and they pledged to make "concrete progress" toward a goal of signing an agreement by 2005.

But reaching a final agreement is by no means certain, mainly because of strong opposition in the United States Congress, which has so far failed to grant Mr. Clinton the so-called fast-track negotiating authority that is considered crucial to reaching a hemispheric free-trade accord.

For that reason, the leaders here attending the second Summit of the Americas focused much of their attention this weekend not on free trade but on improving social conditions in the region.

As part of their final communique, the leaders agreed to a sweeping social action plan that is intended to improve education, reduce poverty, expand democracy, guarantee human rights and fight drug trafficking in the hemisphere.

"We all admit that too many of our citizens have not yet seen their own lives improved as a result of our participation as free nations in a global economy," Mr. Clinton said at the meeting's closing ceremony at the Chilean Ministry of Foreign Affairs.

"We have, therefore, committed ourselves here to a second stage of reforms designed to bring the benefits of freedom and free enterprise to ordinary citizens throughout the Americas."

Human rights groups, which have long criticized free-trade agreements as failing to address social needs, applauded the social action plan while questioning whether it would be enforced once the leaders leave Santiago.

"This is the silver lining to Clinton's failure to get fast track — a shift away from trade to human is-



Tears for Bombing Victims

Greg Leasure, whose sister was one of 168 victims in the Oklahoma City bombing, was consoled yesterday at a third anniversary memorial

Winding Tobacco Road

Path Toward Legislation to Curb Smoking
Appears Unclear as Lawmakers Weigh In

By DAVID E. ROSENBAUM

WASHINGTON, April 19 — With Congress on a two-week spring break, the weekend television interview programs have explored the issue of tobacco legislation from every possible direction.

News and found that no consensus was in sight. Last weekend, tobacco executives and lobbyists said a bill approved by the Senate Commerce Committee early this month would bankrupt cigarette manufacturers, create a huge black market in tobacco products, spawn a

huge Federal bureaucracy and otherwise wreak havoc.

On Friday, Speaker Newt Gingrich told an interviewer that the Senate bill was so liberal that it stood little chance of enactment.

On television this morning, Senator Kent Conrad of North Dakota, who represents the Senate Democratic leadership on tobacco matters, advocated legislation that would be even tougher on the cigarette companies than the Senate Commerce Committee's bill, and he observed that his bill had more co-sponsors than any other.

Senator John McCain, the Arizona Republican who is the chief sponsor of the Commerce Committee bill, said in his interview today that he took heart in the fact that his legislation was being attacked from both sides. Mr. McCain then criticized President Clinton as refusing to lead on the tobacco issue.

It is impossible to know how much credence to give all these statements. But the best bet is probably not to take any of them at face value. What the tobacco industry representatives and the politicians seem to be doing is positioning themselves for a flurry of activity that will begin when Congress returns this week.

First, consider the tobacco execu-

Continued on Page A15

Arkansas Deadline for Starr: A Cover-Up, or Just Politics?

By JEFF GERTH
and STEPHEN LABATON

LITTLE ROCK, Ark. — After 30 months a Federal grand jury here has nearly completed its examination of evidence compiled by Kenneth W. Starr that President and Hillary Rodham Clinton and their aides have long sought to suppress embarrassing details of their old financial dealings with the owners of a corrupt savings and loan association in Arkansas.

Lately the most visible part of the investigation by Mr. Starr, the White-water independent counsel, has been the work of a Washington grand jury examining whether Mr. Clinton or his aides tried to hide a relationship between the President and Monica S. Lewinsky. But it is Mr. Starr's prosecutors here in Arkansas who have worked longest, looking into the possibility of a larger pattern of evasion, an effort to obscure the Clintons' involvement in the failed White-water land venture and its link to the savings and loan, Madison Guaranty.

Now Mr. Starr must decide whether that effort — including a memorandum drafted by Mrs. Clinton and labeled by Government regulators as meant to "deceive Federal bank examiners" — amounts to a criminal cover-up, or simply reflects an acceptable exercise in political damage control.

Mr. Starr has not announced what

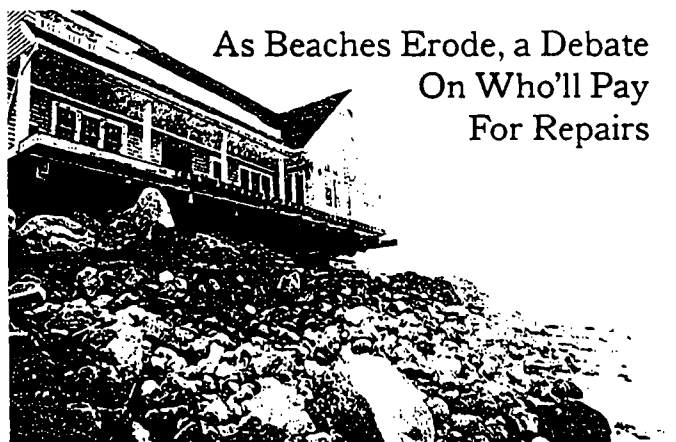
UNFINISHED BUSINESS
A special report.

he will do about the work of the Arkansas grand jury, which will finish its term on May 7, and has sent no signals that new criminal charges will be brought. But he is required under the independent counsel law to submit a final report to the special court that supervises him. And if he determines that Mr. Clinton may have committed an impeachable offense, Mr. Starr must outline the evidence to Congress.

For years, prosecutors have examined whether the Clintons played a role in trying to cover up a criminal conspiracy in Arkansas in the mid-1980's. Interviews with witnesses and lawyers involved in the \$30 million inquiry, as well as a review of previ-

Continued on Page A14

Continued on Page A10



Shoreline erosion is a problem in New Jersey and on Long Island as more build near the ocean. In storms in February, homeowners in Southampton, N.Y., piled rocks and dirt, hoping to avert disaster.

By ROBERT HANLEY

From the East End of Long Island to the southern tip of New Jersey, these are jittery times for the owners of billions of dollars' worth of shorefront homes and businesses.

Two howling northeasters in midwinter destroyed a \$500,000 beachfront home in Southampton, N.Y., and damaged a half-dozen others, flooded and tore up a major highway leading north from Sea Isle City, N.J., to the mainland and devoured old dunes shielding homes on the barrier islands of both states.

Already feeling vulnerable to an angry sea, coastal residents this year face another battle. The Federal Government, which shore-

front residents have always con-

sidered their savior, is balking at playing a major financial role in the restoration of beaches. With more people building closer than ever to the water's edge, the problem of erosion has become a serious one. And with more property in danger, a debate is growing over who should pay for rebuilding eroded beaches, or whether they should be rebuilt at all.

For the Federal fiscal year starting Oct. 1, the Office of Management and Budget has earmarked \$3.7 million for the Army Corps of Engineers to rebuild beaches in New Jersey and on Long Island Coastal business owners and local officials and their allies on Capitol Hill want \$50.6 million to continue existing beach projects and to study the need for

new ones.

President Clinton has tried since 1995 to cut Federal spending on such projects, but each time Congress has restored the money and the White House has acquiesced.

This year, White House officials have suggested that they may not be as accommodating. A senior White House official, who spoke on condition of anonymity, said Mr. Clinton may use line-item vetoes on some projects if Congress again restores full financing. The line-item veto was recently struck down by a Federal court, but the Administration has appealed that ruling to the Supreme Court.

But the debate is over more than money. The issue is how much of an obligation the nation has to pro-

Continued on Page A20

Critics Assail PBS Over Plan For Toys Aimed at Toddlers

By LAWRIE MIFFLIN

Bemusement was the adult reaction when the roly-poly Teletubbies floated onto the public television landscape this month, four smiling, vividly hued plush characters with antennae on their heads. This was something new: television designed for 1- and 2-year-olds.

But now the Teletubbies, British imports appearing on PBS, are breaking ground again, this time in a way that alarms some children's advocates. The merchandising schemes have begun, spawning talk about "filling the 1-to-2-year-old niche" in the market, and causing concern about nurturing a consumer mentality in children not yet able to speak properly.

"A child that young doesn't say, 'Buy me that, but in the store she will grab for something,'" said Dr. Kathryn Montgomery, president of the Center for Media Education and a respected researcher on media and children. "And parents want to please their children. Marketing like this helps encourage that first 'buy

me that' exchange between a parent and a child before the kid even knows how to say 'Buy me that.'"

Dr. Montgomery and others also worry that Public Broadcasting Service programmers might be influenced in choosing programs by considerations of how much money PBS could make from toys and other products tied to the program. With public television's chronic financial need, such windfalls could be tempting enough to sway judgments about a program's suitability, critics warn — a notion that PBS rejects.

And those connected with Teletubbies do expect a windfall. "If this isn't the most important toy a Christmas this year, then something desperately wrong will have hap-

Continued on Page A17

INSIDE

West Bank Shootings

A confrontation between Palestinians and Jewish settlers left a settler dead and one man wounded on each side, but the stories of what happened varied widely. Page A8

Turmoil in Hollywood

Universal Studios remains in disarray three years after being bought by Seagram, still searching for a turnaround strategy. Page D1

The Reward? The Bulls

The New Jersey Nets qualified for the playoffs for the first time since 1994 and will now face Chicago in the first round. SportsMonday, page C1

Linda McCartney Dies

The photographer of rock stars, wife of the former Beatle Paul McCartney, animal-rights advocate and outspoken vegetarian was 56. Page A18

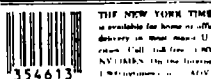
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ETHICAL CULTURE IN WASHINGTON AWARD TO
Secretary of Education and Secretary of Health, Education
and Human Services, 1997-1998



FREE-TRADE ZONE OF THE AMERICAS GIVEN A GO-AHEAD

LEADERS SCHEDULE TALKS

But Opposition in U.S. Shifts Focus of Summit Meeting to Social Conditions

A By CALVIN SIMS

SANTIAGO, Chile, April 19 — Leaders of 34 countries in the Western Hemisphere took a first step today toward creating the world's largest free-trade zone, one that would span the Americas.

In a joint declaration signed by President Clinton and 21 other presidents and 12 prime ministers, the leaders said that talks on the subject would begin in September and they pledged to make "concrete progress" toward a goal of signing an agreement by 2005.

But reaching a final agreement is by no means certain, mainly because of strong opposition in the United States Congress, which has so far failed to grant Mr. Clinton the so-called fast-track negotiating authority that is considered crucial to reaching a hemispheric free-trade accord.

For that reason, the leaders here attending the second Summit of the Americas focused much of their attention this weekend not on free trade but on improving social conditions in the region.

As part of their final communiqué, the leaders agreed to a sweeping social action plan that is intended to improve education, reduce poverty, expand democracy, guarantee human rights and fight drug trafficking in the hemisphere.

"We all admit that too many of our citizens have not yet seen their own lives improved as a result of our participation as free nations in a global economy," Mr. Clinton said at the meeting's closing ceremony at the Chilean Ministry of Foreign Affairs.

"We have, therefore, committed ourselves here to a second stage of reforms designed to bring the benefits of freedom and free enterprise to ordinary citizens throughout the Americas."

Human rights groups, which have long criticized free-trade agreements as failing to address social needs, applauded the social action plan while questioning whether it would be enforced once the leaders leave Santiago.

"This is the silver lining to Clinton's failure to get fast track — a shift away from trade to human is-

Continued From Page A1

sues," said José Miguel Vivanco, executive director of the Americas division of Human Rights Watch.

"As a matter of principle, this social action plan is wonderful because it addresses the grave social ills and abuses of power that these governments have long ignored. In practical terms, however, this type of rhetoric often doesn't result in any action because there's no mechanism for accountability."

Education is at the center of the plan, which calls for all governments in the region to provide universal access to elementary school education by 2010 and to provide high school education for 75 percent of the region's youngsters by the same year.

"Education is the determining factor for political, social, cultural, and economic development of our peoples," the communiqué says. "In order to meet our goals within the agreed time frames, we affirm our commitment to invest greater resources in this important area."

Under the plan, the region will have access to \$8.3 billion in new loans and grants, mainly from the international lending organizations. The money would be used for a variety of programs, including a number that would improve teaching, and to buy textbooks and other materials.

As part of the plan, the leaders also promised to lower barriers to home ownership, strengthen democratic institutions, improve training for judges and prosecutors and cooperate in the fight against drugs.

Thomas L. McLarty, President Clinton's special adviser for Latin America, said in an interview that the social action plan was the next

logical step for Latin America as it completes a first round of reforms, which have included a return to democracy in many countries and a restructuring of inefficient economies.

Perhaps the most discussed issue of the social action plan was its creation of the position of rapporteur, or monitor, at the Organization of America States to report on freedom

of expression. The rapporteur would investigate cases of press repression and other free-speech abuses.

Despite the rise of democracy in Latin America after decades of military dictatorship, freedom of the press remains a goal rather than a reality across much of the region. Often those opposed to free speech are the democratically elected governments promising to protect it.

In the last decade, at least 120 journalists have been killed in Latin America while reporting on corruption, drugs and human rights abuses. Several Latin American governments, like Argentina's, have introduced legislation that critics contend would intimidate the press and quash investigations.

In Latin America, the press is often the only check on government.

In many of the countries, the executive branch exercises considerable control over the judiciary and the legislature, which are often dominated by members of the President's party or by the President's appointees.

Clinton Administration officials have long expressed concern about making new trade deals with countries that do not have independent

news organizations to help guard against corruption. That concern has been echoed by those involved with international business and investment.

While the meeting focused less on trade issues than the organizers had hoped, trade experts said setting a date to begin free-trade talks and establishing a logistical framework for those negotiations would hopefully keep the momentum for an agreement alive.

But the experts acknowledged that the lack of fast-track authority — under which Congress would be able to approve or reject a trade agreement negotiated by the Administration but not to amend it — had hurt the United States' credibility on free trade.

The Free Trade Area of the Americas would have 34 member nations (Cuba is not included) with 750 million people and a gross domestic product of more than \$9 trillion. The United States accounts for 85 percent of the region's economy.

The population would be more than double the 370 million of the 15-nation European Union.

Last year, United States exports to the hemisphere totaled \$286 billion, or 42 percent of its global exports. In the five years since 1992, trade within the Western Hemisphere has risen to \$592 billion, from \$375 billion.

The New York Times

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Continued on Page A10

"Yes, yes, they announced the changes a month ago with a lot of fanfare," he said. "But unless they are ready to send a small army of people out here, it's not going to be enough to make a noticeable dent."

Mr. Williams said there were crates full of files in the hallways of the district immigration office in Los Angeles. Even now, he added, his clients were unable to get immigration officials to answer simple questions about missing forms or future appointments.

Angélica Salas, an administrator who works with Mr. Williams, said that despite the help Los Angeles was receiving, the agency was as disorganized as ever. Recently, she said, community organizations were handed a list that included 30 centers in California where applicants could get their fingerprints. When the immigrants arrived at several of the centers for fingerprinting, employees there told them they had no idea what they were talking about.

Just five years ago, most immigrants were shunning citizenship. That was before new Federal and state laws that restricted benefits like welfare for noncitizens and threatened deportation. Now more applications are filed every year than in the years from 1911 to 1920, when there was an unprecedented wave of immigration from Europe. In 1996, 1.3 million applied for citizenship, and the figure climbed to 1.5 million in 1997. Close to 2 million applications are expected this year.

"We simply had a record number of applications hit a 1950's sort of system, totally unprepared to deal with that volume," said Andrew L. Llubes, an immigration service spokesman in Washington.

A report released last week by The Citizenship Now Collaborative, a national coalition of six immigrant rights groups, blames the Immigration and Naturalization Service and Congress for allowing citizenship applications to mushroom while the two bickered about how best to run the agency.

Congress has been particularly hard on the agency since 1996, when it was discovered that an earlier initiative to reduce the backlog had resulted in sloppy work. Hundreds of people with criminal backgrounds were granted citizenship. Republicans accused the Clinton Administration of rushing the naturalization process to gain votes for Mr. Clinton's 1996 re-election from immigrants, who are thought to largely vote Democratic.

The debate led Congress to delay much-needed money for the immigration service, and forced the agency to rush a series of measures to placate Republicans in Congress. Immigration officials say the measures will ultimately improve the system. Now, however, they are having the opposite effect.

The waiting time in some cities has been doubled by the mandated measures, which include having two people and a supervisor go over the same citizenship application and waiting to receive clearance from the Federal Bureau of Investigation for each set of fingerprints (formerly, a lack of response from the F.B.I. was a sign of a clean criminal record).

"Congress exaggerated our flaws," said an immigration official in Washington who spoke on the condition of anonymity. "They used a 50-pound hammer to hit a fly. Creating the hammer and training people how to use it made the backlog grow wildly."

Margie McHugh, executive director of the New York Immigration Coalition, said neither Congress nor the immigration service has realized the impact of the new procedures. "In the meantime, more and more people have filed," she said. "At this rate, the backlog will only continue to grow and more and more people will fall behind."

The backlog has already affected Sunny Chan, a 27-year-old radio operator from China and aspiring journalist who thinks he was turned down for a job in London because he did not have a United States passport.

"I was so embarrassed sitting there," Mr. Chan of his job interview. "How could I explain to them who I was?" He has not heard from immigration officials since he was interviewed in August of 1996, shortly after he sent his application in. "I have written letters, called many times, even stood in line for four hours," Mr. Chan said. "They tell me there is nothing they can do and I have to wait."

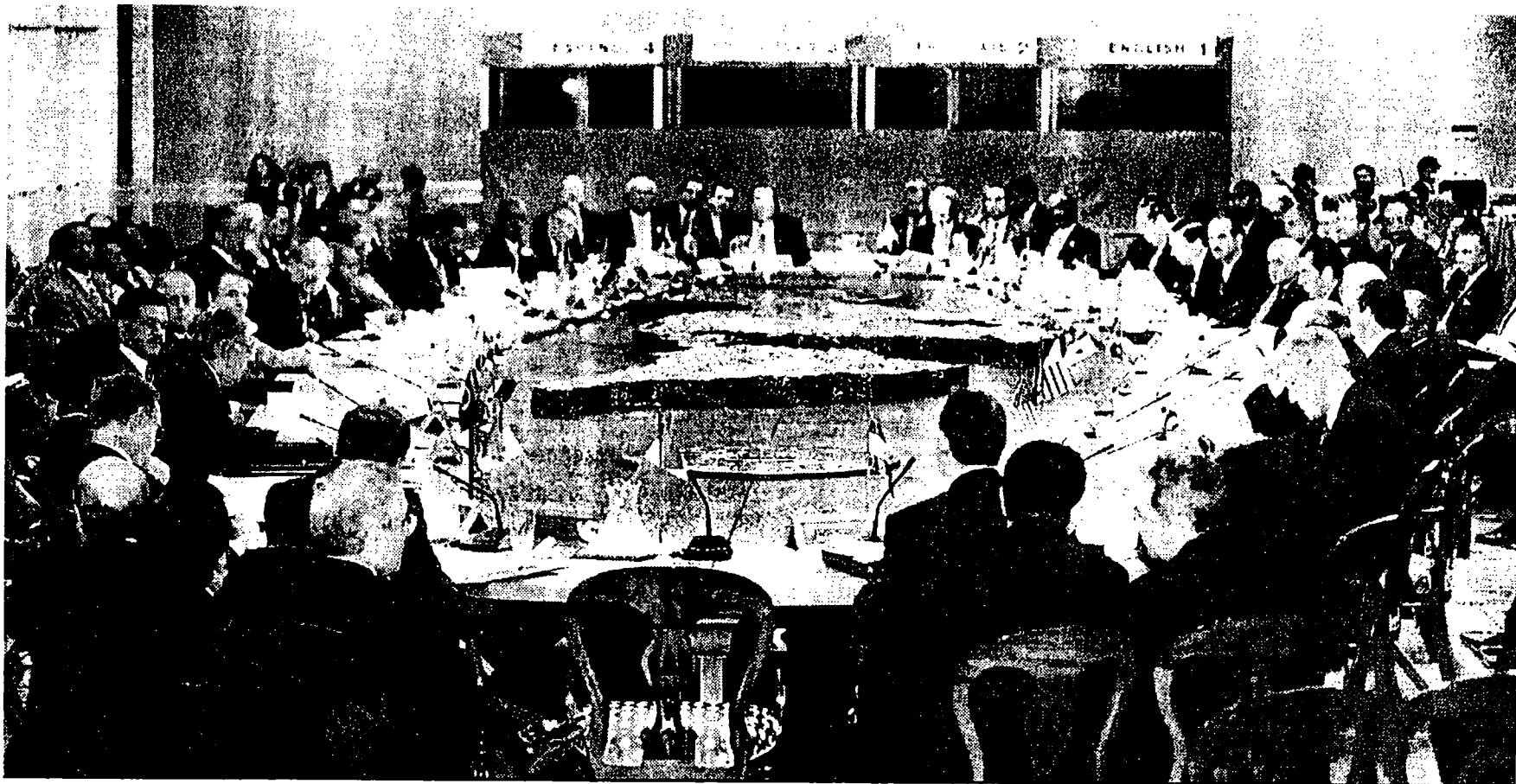
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The New York Times

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Associated Press

President Clinton, right, and other leaders at Chile talks. The empty chair belonged to President Alberto Fujimori of Peru, who was briefly absent.

Shenbein's Older Brother Got Immunity

Grant Was Made in Exchange
For Testimony About Slaying

By NATALIE SHAWER and LERN STEIN
Washington Post Staff Writers

Montgomery County prosecutors gave the brother of a slaying suspect Samuel Shenbein immunity from criminal charges in exchange for testimony about Samuel Shenbein's alleged role in the slaying and their father's role in helping Samuel Shenbein flee to Israel, according to the agreement, which was provided yesterday to The Washington Post.

Montgomery prosecutors said yesterday that they found no evidence to connect Robert Shenbein, Samuel Shenbein's older brother, with a crime, but they said that Robert Shenbein would not cooperate in the investigation until he was granted immunity. The grant of immunity was also a condition for Robert Shenbein to return from Israel and testify before a grand jury.

Samuel Shenbein, 17, and Aaron Needle, 18, were charged with first-degree murder in Alfredo Enrique Tello Jr.'s death, and Needle was to go on trial in Montgomery County Circuit Court today. Needle was found hanged in his cell in the Montgomery County jail on Saturday afternoon. The medical examiner has ruled his death a suicide and determined that the cause of death was asphyxiation.

Samuel Shenbein is fighting extradition from Israel. The judge hearing Shenbein's case is not expected to make a decision before July, and if the judge orders him extradited it probably will be appealed, delaying a final decision for as much as two years.

However, in the aftermath of Needle's suicide, new details emerged yesterday about the events that followed the death of Tello, whose charred and limbless body was found Sept. 19 in the garage of a vacant Aspen Hill home near Shenbein's home.

Prosecutors said Needle's case will not go to trial, prosecutors said yesterday that they were released from some constraints on discussing evidence that would have been used against him.

Authorities recovered the weapons allegedly used in

SHENBEIN, A10, C1

■ Aaron Needle's attorney asks why his client was not on a suicide watch. Page A10



After Loss, a New Life

Aren Almon Kok shows her baby to Oklahoma City firefighter Jon Hansen during service for victims of the 1995 federal building bombing. Kok's first daughter was

photographed that day in the arms of a firefighter. Yesterday also marked the anniversary of the 1993 Branch Davidian raid and fire near Waco, Tex. Story on Page A4.

Defining the Terms of Harassment

Case Before High Court Could Affect Mary, Including Paula Jones

By JOAN BISKUPIC
Washington Post Staff Writer

CHICAGO—Kimberly Ellerth was 23, fresh out of college and recently married when she landed a prized marketing job with Burlington Industries in its Chicago office. But eventually her dream job became unbearable, she said, after a boss began making sexual advances toward her.

The supervisor would accompany

Ellerth on business trips, and once in a hotel lounge, after ogling her body, he allegedly said, "You know, Kim, I could make your life very hard or very easy at Burlington."

Later, in a telephone conversation, he reportedly said, "I don't have time for you right now, Kim, unless you tell me what you're wearing." Shorter skirts would help, she remembers him saying. Another time, he allegedly rubbed her knee and said she was not "loose enough for him."

Ellerth did not submit to his propositions and lost neither her job nor a promotion as a result. But after about a year, when the boss supposedly refused to authorize a project of hers and asked in a telephone call, "Are you wearing shorter skirts yet?" Ellerth quit.

She began thinking, "This isn't fair. This isn't right." So she sued Burlington for sexual harassment.

See COURT, A6, Col. 1

Chinese Dissident Arrives In U.S.

Release of Key Leader
In '89 Protest Smooths
Way for Clinton Visit

By WILLIAM BRANTIGAN
and STEVEN MUIRSON
Washington Post Staff Writers

Chinese dissident Wang Dan, a leader of the 1989 pro-democracy demonstrations that were crushed at Tiananmen Square, landed in Detroit yesterday after his release from a Chinese jail and was promptly admitted to a hospital for tests.

Wang, 28, was freed on "medical parole" by Chinese authorities and flew into exile as part of a reported deal between Beijing and Washington to smooth the way for a June summit in China. He arrived at Detroit Metropolitan Airport on a flight from Beijing and was immediately driven to Henry Ford Hospital with a police escort.

By releasing Wang well in advance of President Clinton's visit, China analysts here said, Beijing can score political points with Washington and still avoid the appearance of yielding to international pressure. While making a gesture to the United States, China also risks itself of an internationally prominent political prisoner and one of the country's most persuasive and persistent advocates of greater freedom and democracy.

Wang, in a statement issued from the hospital and distributed by the group Human Rights in China, thanked the United States "for its efforts in pressing for

See DISSIDENT, A15, Col. 1

Summit Ends With Promises

Hemisphere Leaders
Focus on Trade

By ANTHONY FAIOLA
and THOMAS W. LIPPMAN
Washington Post Foreign Service

SANTIAGO, Chile, April 19—The second Summit of the Americas ended here today with President Clinton and 33 other Western Hemisphere leaders signing a declaration that promised everything from a rethinking of the drug war to negotiations that could create the world's largest free-trade zone.

The leaders treaded lightly on the challenges to democracy still looming in Latin American trouble spots from Paraguay to Peru, concentrating on "a second generation" of issues, such as education and economics. The topics reflected what participants labeled an overall deepening of Latin America's transition from dictatorships to democracies and from state-owned behemoths to free-market systems.

Clinton underscored his belief that a greater pool of people must benefit from those changes if they are to hold. The Americas have undergone a "profound revolution in the last few years, a revolution of peace and freedom and prosperity," the president said. "Here in Santiago, we embrace our responsibility to make these historic forces lift the lives of all our people."

It is a future worthy of the new Americas in a new millennium. In Latin America, which long has been the inferior partner in a gener-

See SUMMIT, D1, C2



Brad Weeks, 8, a third-grader at Timber Lane Elementary School near Falls Church, absorbs a math lesson. The school begins year-round classes in August.

In Fairfax, Year-Round Classes

By VICTORIA BENNING
Washington Post Staff Writer

Come Aug. 3, when most Washington area children are hanging out at the neighborhood pool enjoying the dog days of summer, 9-year-old Tiffany Jones will be back in class at Timber Lane Elementary School.

The Fairfax County third-grader can hardly wait. "Summer is way too long anyway," Tiffany said. "Besides camp, it's mostly me and my mom running here, running there—not fun," she said. "I'd rather be in school."

That's good, because Tiffany doesn't have much choice if she wants to remain at Timber Lane, and neither do the school's 559 other students. This summer, Timber Lane will become the only public school in the Washington

area with a year-round schedule of classes.

The shorter summer vacation means that students won't forget as much of what they learned the previous school year, so teachers won't have to spend as much time reviewing old material in the fall, Timber Lane officials say.

In return, students will get longer breaks in October, January and April, but they'll have the option of taking enrichment or remedial classes during parts of those breaks. If they enroll in the special classes, they'll be getting up to six more weeks of school than children on a traditional calendar.

It's an experiment that other Washington area districts have considered in recent years but decided not to pursue, mostly because of parents'

See SCHOOL, A8, Col. 1

Heavy-Handed IRS Unit Under Scrutiny

Senate Panel to Examine Tax Fraud Division's Overzealous Approach

By ROBERT D. FROMSON
Washington Post Staff Writer

Bookkeeper Debbie Sholner had quite a story to tell law enforcement agents about two restaurants along the Virginia coast that were, she said, nests of criminal tax evasion, money-laundering and drug dealing.

The FBI didn't believe her. So she shopped her tale of phony financial books, late-night drug

runs and stacks of cocaine to the Internal Revenue Service.

Days later, on Easter weekend 1994, rifle-carrying IRS agents and other law enforcement officers with drug-sniffing dogs stormed into the Jewish Mother restaurants in Virginia Beach and Norfolk and the nearby homes of the owners and managers. They carted off cash registers, computers, Rolodexes and other financial records and even roused one

manager from his shower, according to court records.

But they found no cocaine, no money-laundering and, most importantly, no evidence of tax crimes. Sholner, who had a prior conviction for financial fraud, had fabricated the story to hide her own criminal embezzlement.

Five months later, the government sheepishly told the restaurant owners that the case was closed and they could pick up

their belongings.

The raid was ordered by the IRS's Criminal Investigations Division, whose 3,158 special agents are responsible for probing serious allegations of tax fraud. But the heavy-handed tactics, poor attention to detail and embarrassing results in the Jewish Mother case are emblematic of too many CID operations, according to for-

See IRS, A11, Col. 1



Incoming Police Chief Charles H. Ramsey sees no quick fixes ahead.

Big Problems in the Precincts

New D.C. Police Chief to Face Crises in Equipment, Buildings

By CHERRY W. THOMPSON
Washington Post Staff Writer

When it rains, D.C. police officers assigned to the 4th District on upper Georgia Avenue NW arm themselves—with buckets and mops. These are their weapons of choice to clean the pigeon droppings that wash into officers through the poorly sealed windows and leaky roof.

After a hard summer rain, the

officers must defend themselves against the hordes of mosquitoes that get into the building through holes in the ceilings big enough for adolescents to crawl through.

In the office where police officers process evidence from crime scenes, the air conditioning hasn't worked for a year. And when any of the 10 women who work there want to shower, they must use a stall in a custodian's closet because there are no shower facilities for women.

The conditions in the 4th District building are among the worst in the D.C. police department's seven district stations, and they are among the long ignored problems awaiting Charles H. Ramsey, Mayor Marion Barry's nominee to be police chief. Ramsey's confirmation hearing before the D.C. Council starts today.

The U.S. attorney's office, a special

See POLICE, D1, C4

INSIDE

Linda McCartney Dies at 56

■ Linda McCartney, a photographer, musician, vegetarian and the wife of former Beatle Sir Paul McCartney, died of cancer. OBITUARY, Page B4

Safe Juice

■ The FDA this week will announce proposed regulations designed to improve juice safety, including warning labels on some products. NATION, Page A2

Tobacco Allies

■ Opposition to national tobacco legislation has been building steadily within a loose coalition of diverse and unusual constituencies. NATION, Page A7

Gates's Big Week

■ Bill Gates has a big week ahead, with the unveiling today of Windows 95 and Microsoft's legal showdown in an appeals court here. NATION, Page A12

The Post on the Internet
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quid pro quo liability on the employer; the supervisor must have ... [subjected] the victim to adverse job consequences as a result of her refusal to submit."

Casey, the company's lawyer, defines a "tangible" job loss as "anything that rises to the level of something that would affect one's career."

"Congress simply cannot have intended for [federal law] to make employers strictly liable for the behavior of their supervisory employees at all times and all places," he said.

But Ellerth's lawyer, Ernest Rossiello, said that if a supervisor is going to use his authority to win a sexual demand, the company should be held accountable, whether the employee was punished or not. If a supervisor has the power to threaten some consequence, he said, that is enough to invoke the company's responsibility.

"In a lot of cases there is no job loss or bonus forfeiture," Rossiello said in an interview. "But why should a woman have to come into work and have to be humiliated, like, 'Hey tootsie, nice legs.'"

Rossiello said Ellerth remains upset over the episode and has nightmares. "This has screwed up her whole life," Rossiello said. "She had a good life and a good job. This was exactly the job she went to college for." After working as a substitute teacher, Ellerth is now a homemaker with two small children.

Ellerth, whose version of events at Burlington was recorded in a lower court proceeding, has refused all recent requests for interviews. In a session earlier this year with Court TV, she remained composed until she was pushed for details about her time at Burlington. Then she broke into tears, continually reaching for tissues as she talked about how "humiliating" and "degrading" the experience was: "It made me feel like a piece of meat."

Since the alleged abuse occurred four years ago, the two sides have been locked in a dispute over

whether the incidents, even if true, constituted sexual harassment. As a result, Ellerth has never had a trial on the merits of her case. The man she accused of harassing her, Theodore Slowik, continues to work for Burlington, because company officials say they investigated and believe nothing improper occurred.

Legal experts say it is not uncommon for a worker to feel the threat of retaliation for spurned advances but have no paper trail to show to management or the courts.

Alice Jansen claims that she too was subjected to sexual harassment in much the same way that Ellerth describes. Jansen was 39 and recently divorced when she found a well-paying secretarial job at a packaging company in Chicago. But the relief she felt at getting work to support two children and pay a mortgage quickly disappeared.

"First, he started talking about my looks, asking me to wear skirts," Jansen said of her boss. "Then ... he would pat his crotch as he talked to me. He was always coming in asking for a 'quickie,' meaning oral sex," she said.

Jansen flushes as she says, "Just the mere fact of someone telling me he wants [oral sex]. I was angry. How does he get away with it?" But she ended up keeping her job even after her boss left the company. Because of the similarity of the cases, the dispute was consolidated with Ellerth's in the 7th Circuit, but Jansen has since decided to settle her claim. Ellerth's moved forward and will be heard by the Supreme Court on Wednesday.

Many groups with a stake in the matter will be watching.

The Equal Employment Opportunity Commission filed a brief in the case arguing that claims such as Ellerth's are legitimate and should be heard. "The employee may decide not to accede to the demand, and the supervisor may decide not to enforce it, and those decisions may affect the extent of

recoverable damages," Solicitor General Seth P. Waxman wrote in a brief for the EEOC. "But as long as the employee reasonably believes that the threat is genuine, and the supervisor has authority to grant or withhold the benefit," the employee should be able to bring a sexual harassment complaint.

In a similar vein, the National Employment Lawyers Association has told the court that because job supervisors have such authority in society, courts should find that unlawful harassment occurs when a boss makes a threat, whether or not the threat is carried out.

On the other side, the U.S. Chamber of Commerce has urged the court to find in *Burlington Industries v. Ellerth* that an unfulfilled threat is actionable only when it was sufficiently severe to change the conditions of the job and only if the employer knew or should have known about it and failed to take action.

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Summit Ends With Promises

34 Leaders Focus On Trading Zone, Drugs

By ANTHONY FAIOLA
and THOMAS W. LIPPMAN
Washington Post Foreign Service

A1

SANTIAGO, Chile, April 19—The second Summit of the Americas ended here today with President Clinton and 33 other Western Hemisphere leaders signing a declaration that promised everything from a rethinking of the drug war to negotiations that could create the world's largest free-trade zone.

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Clinton underscored his belief that a greater pool of people must benefit from those changes if they are to hold. The Americas have undergone a "profound revolution in the last few years, a revolution of peace and freedom and prosperity," the president said. "Here in Santiago, we embrace our responsibility to make these historic forces lift the lives of all our people. . . . It is a future worthy of the new Americas in a new millennium."

In Latin America, which has long been the inferior partner in a general-

See SUMMIT, A14, Col. 2

SUMMIT, From A1

ly paternalistic relationship with the United States, the summit is widely viewed as a key turning point in equalizing that relationship. Latin officials, for instance, believe a great leap forward was made in the creation here of a Multilateral Counter Drug Alliance that would use the Organization of American States as a tool to evaluate each nation's record of combating drug trafficking—a process seen here as a potential alternative to the highly disparaged U.S. procedure of "certifying" the anti-drug cooperation of individual nations.

"We saw the [U.S.-Latin America] relationship change during this summit," Chilean Foreign Minister Jose Miguel Insulza said in an interview. "If Richard Nixon hadn't used the term 'mature partnership' to describe his ignoring of Latin America in the 1970s, that is exactly the term we would be using to describe the relationship today. We are talking more equally, and we are no longer having one-way conversations. The U.S. is listening to us too."

But U.S. officials were quick to point out that some changes are not likely to be immediately forthcoming. In discussing the U.S. drug certification process, national security adviser Samuel R. "Sandy" Berger declared: "We would have to obviously have a long discussion with Congress before there were any changes in U.S. law. I think that's not contemplated at this point." In general, however, he echoed Insulza's assessment of the hemispheric relationship.

"One of the things that is very striking about this meeting," Berger

said, "is that . . . there is no sense of America trying to dominate [the other] countries. . . . There is a genuine spirit of partnership."

That new relationship manifested itself in a number of ways, not all pleasing to the Americans. One clear indication of hemispheric willingness to question U.S. policy came in the form of private calls for reinstatement of Cuba to the OAS and in public declarations that Cuban President Fidel Castro should be included in future hemispheric summits.

On the heels of Pope John Paul II's visit to Cuba in January, it was revealed this weekend that Canadian Prime Minister Jean Chretien, who will host the next summit, possibly in 2000, has accepted an invitation to visit Havana next week, becoming the first Canadian leader to do so in 21 years. Meanwhile, other leaders here spoke of ending Cuba's isolation.

"The exclusion of Cuba is unfair because that country isn't a threat to anyone," Peruvian President Alberto Fujimori told reporters. "The Cuban president should have been allowed to come here and express his point of view and to listen to criticism of him."

But the Cuba issue was one of the few divisive notes in what was generally a diplomatic love fest. Indeed, the language of the final communique is so lofty that it almost echoes Marxist utopian rhetoric from bygone generations—the difference being that trade and capital markets, rather than economic collectivism, are offered as the keys to a happier future for the region.

As expected, the summit participants agreed to a strict schedule of

negotiations for a proposed Free Trade Area of the Americas, despite the fact that Clinton arrived in the Chilean capital without "fast track" authority—the power to sign trade accords that Congress could then only vote up or down, without amendment. The lack of fast track, which Clinton failed to win from Congress last November, ironically was viewed here as a deal maker, rather than a deal breaker. Countries such as Brazil—which had resisted the initial U.S. format for trade talks—found the United States now willing to compromise on the structure of negotiations to keep the prospect of a vast free-trade zone alive.

Although it will still be tough to persuade many opponents at home, U.S. Trade Representative Charlene Barshefsky said that the proposed free trade area "is embraced by all of the countries without exception as integration to a broader agenda of strong democracies, the alleviation of poverty and the empowerment of people and sustainable development." In the summit communique, the nations agreed to sign an accord by 2005, with the first round of negotiations to begin as early as June.

The 34-page "plan of action" goes on to address everything from new techniques to combat the drug trade to standards for transporting nuclear waste through the Panama Canal. Other new drug proposals include hemispheric efforts to crack down on money laundering, combat drug addiction and support "alternative development" programs that would give farmers who grow drug-producing plants the incentive to cultivate

legal crops.

The summit plan also focused on combating illiteracy and pledged to "ensure, by the year 2010, universal access to and completion of quality primary education for 100 percent of children and access for at least 75 percent of young people to quality secondary education." To reach that goal, the Inter-American Development Bank and the World Bank have already committed \$6 billion in concessionary loans for education over the next three years.

The plan calls further for a strengthening of the judicial systems in Latin America—still among the region's weakest institutions—through creation of a new justice center that would train judges and prosecutors on applications of law. The document also outlines a tighter regulation of the region's banking system, greater cooperation in rooting out money laundering and greater participation in U.N. peacekeeping missions by Latin America militaries.

Indeed, at the same time as the United States engages in a new partnership mentality toward Latin America, the nations in the hemisphere appear more willing to work with Washington to address their myriad social and economic problems. There may be a lingering "us vs. them" attitude, especially in South America, but they were not much on display here.

"You now have recognition by all these governments of the need to rebuild civil society at the local level," one senior U.S. official said. At the first summit of the Americas, in Miami in 1994, he said, "we couldn't get that recognized. Some of them wouldn't even talk about it."

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