

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Special Envoy for the Americas
Series/Staff Member: Steven J. Ronnel
Subseries:

OA/ID Number: 11854
FolderID:

Folder Title:

Trip of the President to Santiago Chile for the Summit of the Americas, April 15-20, 1998: Press Clips [2]

Stack:	Row:	Section:	Shelf:	Position:
S	66	3	10	3

First Lady Works Summit's Foothills

By THOMAS W. LIPPMAN
Washington Post Staff Writer

TEMUCO, Chile—Up in Santiago, 500 miles to the north, President Clinton and the leaders of 33 other Western Hemisphere nations were signing high-minded proclamations of their commitment to expand education, economic opportunity and access to justice for all their people.

At the same time Saturday, outside this drab highland town, first lady Hillary Rodham Clinton was jolting over a dusty gravel road to visit a rural clinic for the indigenous Mapuche people where conventional medicine is blended with traditional cures.

Despite the difference in setting, both Clintons were promoting the same notion: democracy and prosperity must be built from the bottom up, as well as from the top down.

That was the theme of the second Summit of the Americas, which ended yesterday, and of all of President Clinton's public statements during his four days in Chile. Largely at Clinton's behest, the summit participants endorsed his premise that democracy means more than elections—it must be reinforced and made permanent through a "second generation" of political, legal and social reforms that give ordinary people a stake in it.

The summit's final declaration, issued yesterday, could have been written by either Clinton. "The strength and meaning of representative democracy lie in the active participation of individuals at all levels of civic life," it said. "The democratic culture must encompass the entire population."

For the first lady, the trip to Temuco provided an opportunity to practice her husband's policy at the retail level. At a new Mapuche school and cultural center, at the clinic and at a meeting with women who have started modest businesses, she hailed Chile as a model of Latin American reform, where people once oppressed now see democracy and education as their keys to a better future.

"During the time of military dictatorships [in Latin America], civil society was largely destroyed," she told reporters aboard her plane. "There was no way for people to claim or enforce any of their rights. Now it's necessary to rebuild civil society," an effort that in her view starts at the grass roots.

Mrs. Clinton, who has traveled through Africa twice, as well as South Asia and South America, has become an enthusiast for small-scale, cooper-



BY MARIANA RAZO—REUTERS

Mapuche artisan Agustina Painiqueo, right, shows Hillary Clinton a spindle and woven products in Temuco, Chile.

ative development projects that give villagers a sense of opportunity and participation. With her outlook largely shared by Secretary of State Madeleine K. Albright and Agency for International Development Administrator J. Brian Atwood, the administration has been channeling foreign aid and other resources into developments that fit this description—and especially into Mrs. Clinton's favorite cause, "micro-credit," or modest loans to aspiring entrepreneurs, mostly women.

A summit announcement said AID will provide \$120 million over three years to finance micro-credit programs, and summit participants "pledged to work with multilateral institutions and regional organizations to invest in the range of \$400-\$500 million over the next three years; combined, donor efforts should provide new financial resources to over 1 million new microentrepreneurs."

They also promised to crack down on child labor, strengthen health care, put more money into education, "strengthen mechanisms for gender equity," protect indigenous cultures and "find ways to ensure that the rural and urban poor secure title to their property."

Well and good, the first lady said,

but the outcome will be determined by the day-to-day efforts of ordinary people reinforcing each other.

At the Mapuche school and cultural center—which directors said was built after years of struggle with a central government that discouraged use of the Mapuche language, and only with the help of Peace Corps volunteers—Mrs. Clinton was greeted by colorfully dressed women who said the center had given them an opportunity to produce and sell their rugs and pottery, for which there previously was little market.

That was exactly the point, Mrs. Clinton told them: Progress begins in the community.

In Santiago, she said, "the leaders will be talking about how to protect democracy, how to create a justice system that works for all people, how to fight poverty and protect human rights, how to make sure every boy and girl is educated and every person has health care, how to protect the rights of indigenous people to be able to use their own language and follow their own customs, and how to create respect among all people throughout our entire hemisphere."

That might seem an ambitious, not to say utopian, program, but according to Mrs. Clinton, ordinary citizens can make it happen if they

work together to make their new democratic systems produce.

The day's final stop was listed on her schedule as a "micro-credit event," the second of her visit to Chile. At the first, Friday, the president also took part. The format calls for local people who have made breakthroughs in their lives with tiny amounts of financial assistance to tell their stories and hear words of encouragement.

Here Mrs. Clinton heard from women who banded together in a flower-selling cooperative, and from a woman who obtained a foundation grant to learn goose-raising in France. All said they were formerly "housewives" raising children but now are able to contribute financially to their families.

That is what Mrs. Clinton likes to hear. "I especially like the part about how this kind of work makes women feel good about themselves," she said. "I have personally seen how effective micro-credit is all over the world. . . . It's a very good investment to make micro-credit loans to women like the ones we have met here today." There was no discussion of reactions of any men in this conservative society whose wives have now gained some independence.

The Washington Post

MONDAY, APRIL 20, 1998

MONDAY, APRIL 20, 1998

The Washington Post

Silvestre Reyes

An Ally in the War on Drugs

Finding fault with Mexico is a no-win strategy.

I live on our nation's border with Mexico. I have firsthand knowledge and experience of our nation's "war on drugs." I spent more than 26 years of my life on the front line of that "war" as a Border Patrol agent, enforcing our nation's immigration and narcotics laws. For 11 of those years, I was the Border Patrol sector chief in McAllen, Tex., and El Paso.

The most important lesson I learned while working on the border is that to be successful in our fight against drug trafficking, we must help Mexico reform its police apparatus as well as its legal and judicial systems. If the United States and Mexico are to stop drug smuggling, we must cooperate and work in an environment of mutual understanding. Because about 60 percent of the cocaine on the streets of the United States passes through Mexico, its cooperation is vital to any counter-drug effort. Merely criticizing Mexico achieves nothing.

The United States consumes more than \$5 billion a year in illegal drugs. We should own up to our responsibility and stop trying to blame others. Indeed, a recent survey found that 46 percent of Americans believe that Americans are responsible for the problem of illegal drugs in the United States. Interestingly, 50 percent of those same Americans believe that certification should be made tougher. They believe that we as a country are responsible for creating the demand,

but we need to punish foreign nations for our problem. We should not continue to use the certification process as a forum to vent the frustrations we as a nation feel about the devastating impact of drugs on our communities.

The Mexican government bristles at the annual certification process, viewing it as an affront to their nation and an infringement on their sovereignty. The Mexican ambassador to the United States, Jesus Reyes-Heroles, refers to the certification process as "the most stressful period each year in the relationship between the two nations. This stress does not, in our view, enhance the cooperation essential to defeat this mutual scourge."

Our nation shares a 2,000-mile border with Mexico, but we along the border share more than that with our neighbors to the south. Not only have our economies long been interdependent, but our cultures also are tied by more than 400 years of history.

Since the implementation of NAFTA in 1993, communities on both sides of the border have become an integral part of the hemispheric trade success of North America with Latin America. American exports to Mexico increased by 126 percent from 1990 to 1996. The trade pact not only makes economic sense, it is also a logical evolution of international trade and commerce. It is a vibrant success story in the making, but it

can be jeopardized by the process of certification and the contentious issues associated with it each year.

Mexico's efforts in this "war on drugs" are notable and should not be overlooked. In the past year, Mexico has enacted money-laundering legislation and created new investigative units to help root out official corruption. The Mexicans also have begun to rebuild their anti-drug institutions under the leadership of Attorney General Jorge Madrazo.

The Mexican government also has improved its efforts relating to extradition and has signed a bilateral extradition protocol. Mexico City already has approved the extradition of 27 fugitives from U.S. justice. Of the 27, 13 fugitives were extradited (seven for drug crimes) while the remaining 14 have appealed their extraditions.

We must continue to build on this kind of progress. The United States policy of judging the drug-fighting efforts of other countries is counterproductive and must be changed if we are to have any real impact on international drug trafficking. We must develop a process in which we engage our partners through cooperation rather than confrontation.

The writer, a Democrat, is a U.S. representative from Texas.

What's News—

Business and Finance

ELI LILLY'S EVISTA may prevent breast cancer, clinical trials indicate. What's more, Evista, currently approved as an osteoporosis drug, may work without the higher rates of uterine cancer associated with tamoxifen, the most recent breast-cancer breakthrough. Trials of Evista to combat cancer go back only two years. But word of the unreleased results boosted Lilly's shares \$5.125 to \$68.375.

(Article in Column 1)

The U.S. trade deficit swelled to \$12.11 billion in February amid falling exports to Asia. Meanwhile, Japan's merchandise trade surplus grew substantially to \$9.51 billion in March.

(Articles on Pages A2 and A8)

Cendant said it dismissed a senior finance executive as more details of its accounting problems and the probe into them emerged. Meanwhile, some mutual-fund managers saw a buying opportunity in the stock's decline.

(Articles on Pages A3 and A6)

Two big Canadian banks plan to merge. The \$14.3 billion union of CIBC and Toronto Dominion will create a giant with a solid presence in the U.S.

(Article on Page A3)

Pfizer's impotence pill is already one of the fastest-selling drugs ever, with doctors writing tens of thousands of Viagra prescriptions a day, market sources say. Pfizer stock rose 4.5%.

(Article on Page B1)

U.S. factory output cooled in March, but not enough to hurt expectations of strong first-quarter growth.

(Article on Page A2)

The Dow Jones industrials rose 90.93 to a record 9167.50 as financial and consumer stocks gained ground.

(Article on Page C1)

U S West is set to unveil plans to offer TV programming and high-speed Internet access over telephone lines.

(Article on Page B2)

Mario Gabelli is moving toward a decision to sell a piece of his money-management firm in a public offering, people close to the situation say.

(Article on Page C25)

GM's net fell 11% to \$1.6 billion for the quarter because of troubles overseas and its Hughes defense sale. But the results beat Wall Street forecasts.

(Article on Page A4)

Caterpillar boosted its first-quarter earnings 9% to a record level as robust U.S. demand for construction equipment offset weakness in Asia.

(Article on Page A6)

Seagram's CEO denied rumors that the company is thinking of selling Universal Studios and said the studio's recent management turmoil is over.

(Article on Page B4)

McDonald's met analysts' earnings expectations, reporting that net income for the first quarter rose 5%.

(Article on Page A4)

Chrysler cut the annual bonuses of its top executives, reflecting the auto maker's 20% profit drop last year.

(Article on Page B10)

Gateway 2000, a direct seller of PCs, will announce a division to build more formal ties to dealers.

(Article on Page B2)

Markets—

Stocks: Volume 662,109,050 shares. Dow Jones industrials 9167.50, up 90.93; transportation 3685.28, off 0.74; utilities 289.58, up 3.36.

Bonds: Lehman Brothers Treasury index 7836.38, off 0.44.

Commodities: Oil \$15.48 a barrel, off 42 cents. Dow Jones futures index 139.03, off 0.37; spot index 129.10, off 0.33.

Dollar: 131.75 yen, off 0.05; 1.8090 marks, up 0.0045.

World-Wide

CLINTON FINISHED a summit with 33 other North and South American leaders.

The group, which met in Chile, officially kicked off talks for a new hemispheric free trade area by 2005, and worked to formulate a consensus position in areas such as the war on drugs. The trade agenda was dimmed, however, by the U.S. president's lack of "fast-track" negotiating authority. Some leaders, in fact, used the gathering to strengthen regional or bilateral accords that exclude the U.S. (Article on Page A15)

Cuba wasn't invited, prompting calls for its isolation to end. Prime Minister Chretien is to go to Havana April 27, the highest-level Canadian visit since 1976.

A top Chinese dissident arrived at a Detroit hospital, freed ahead of a Clinton visit. Wang Dan, a Tiananmen Square student leader, is to undergo tests today. The U.S. hailed the release as a validation of its human-rights efforts, but dissident Wei Jingsheng, freed last year, said Wang was a pawn in Beijing's bid to quell criticism.

House GOP leaders are discussing tobacco legislation to impose a cigarette excise tax and possibly withhold liability protections the industry wants, but it is narrower than a Senate plan. Meanwhile, reargument was ordered in the industry's court challenge to an FDA bid to regulate cigarettes. (Articles on Pages A3 and B11)

The main Protestant party challenged Sinn Fein to emulate its approval Saturday of the Northern Ireland peace accord, but the IRA-allied group's leader said he would wait for a May 22 referendum to draw closer before polling delegates. Gerry Adams told Sinn Fein members the pact represents tactical progress toward ending British rule.

Pol Pot's death doesn't ensure political stability for Cambodia, according to the U.S. envoy to the U.N., who is visiting the region to press an ousted co-premier's bid to run in a July election. Khmer Rouge guerrillas rejected pleas for an autopsy and cremated Pol Pot's body Saturday, bolstering suspicions he was killed or committed suicide.

Israel welcomed British Prime Minister Blair, who is trying to restart stalled peace talks with Palestinians. An Israeli settler was killed by Palestinian gunmen just before his arrival. Meanwhile, Israel released two more members of a radical PLO faction who had been held for years without trial.

Yeltsin appears to be on a collision course with the Duma, which Friday rejected his choice for premier for the second time. The legislature could be dissolved if it votes no again this week. The Russian president met with Japan's prime minister over the weekend. (Article on Page A15)

Nigerian opposition parties called for a boycott of legislative elections set for Saturday, part of military ruler Sani Abacha's plan to restore civilian rule. Government-sanctioned parties opened a convention to decide if Abacha should face a challenger in the presidential election later this year.

Afghanistan's Taliban militia gave the opposition four days to begin peace talks after a U.S. envoy visited Friday and announced a truce. Despite initial billing, local leaders said the visit, made to prepare the way for a pending trip through the region by Clinton, didn't produce any breakthroughs.

A Colombian human-rights activist was assassinated in his Bogota office Saturday by three people posing as journalists. It was the third such slaying in less than two months and the ninth in a year. Suspicion focused on a far-right paramilitary group.

Defense Secretary Cohen said on a Middle East tour that U.S. forces will remain on station in the Persian Gulf to ensure Iraqi compliance with arms-inspection accords. Inspectors told the U.N. Friday there was "virtually no progress" in six months.

Shuttle astronauts dissected mice and rats in a two-week mission to study how the nervous system develops in the conditions of space. The astronauts and nearly 2,000 animals and insects were launched on Friday.

Saudi septuplets are set to leave the hospital after the royal family donated more than \$200,000 to their parents, who said they were too poor to take them. Some, born Jan. 14, were named for royal-family members.

Died: Terry Sanford, 80, former senator, North Carolina governor and Democratic presidential candidate, Saturday, in Durham, N.C., of complications from cancer.

THE WALL STREET JOURNAL
MONDAY, APRIL 20, 1998

Trade Zone Advances at Summit; Stronger Latin Pacts Exclude U.S.

By CRAIG TORRES
And JACKIE CALMES

Staff Reporters of THE WALL STREET JOURNAL

SANTIAGO, Chile—President Clinton and leaders of 33 other North and South American nations officially kicked off talks for a new hemispheric free-trade area by 2005, even as some leaders used the gathering to strengthen regional or bilateral accords that exclude the U.S.

The weekend Summit of the Americas marked the second time since the Clinton-initiated 1994 gathering in Miami that Latin American leaders have met to form a consensus about hemispheric relations in arenas ranging from trade to the fight against drug-trafficking. Mr. Clinton hailed the "revolution of peace and freedom and prosperity" in the region that has allowed the U.S. and its neighbors to meet as more equal partners.

U.S. officials said even though the trade agenda was dimmed by Mr. Clinton's lack of fast-track negotiating powers, without which the 2005 pan-American pact can't be concluded, the enthusiasm for hemispheric agreement had improved remarkably since the Miami meeting.

"Here in Santiago, the ground has been broken for the largest free-trade area in history," said Eduardo Frei, Chile's president.

Clear advances, however, occurred in regional and bilateral accords. Chile and Mexico extended a 1991 treaty. The South American bloc, Mercosur, which includes Brazil, Argentina, Uruguay and Paraguay, took steps to integrate with Andean countries. The U.S. developed bilateral pacts, signing an investment accord with Bolivia and a general trade facilitation agreement with Chile.

U.S. officials said they are confident that future talks on the Free Trade Area of the Americas, which aims to create a common market among the 34 nations by 2005, will seek ways to absorb the strengthened regional accords. But these agreements already are creating advantages for member countries by diverting U.S. investment into their trading blocs.

Lack of rapid progress on trade issues was particularly grating for the summit's host nation, Chile, which has advanced more than any other Latin country in terms of economic liberalization.

Latin and Caribbean leaders have made fast-track negotiating powers essential to concluding the Free Trade Area of

the Americas. Fast-track powers allow a U.S. president to negotiate trade pacts and submit them to Congress for approval without amendment.

Mr. Clinton weathered some extraordinary criticism from his own countrymen here. GOP Rep. Dennis Hastert of Illinois, a member of House Speaker Newt Gingrich's leadership circle who was participating in anti-drug talks at the summit, condemned the administration in a statement for considering a needle-exchange program for U.S. drug addicts. Along with Chairman Ben Gilman (R., N.Y.) of the House International Affairs Committee, he issued a report blasting the White House for seeking to modify the "decertification" process that strips U.S. aid from countries a president certifies aren't cooperating in anti-drug efforts.

China's Release of Dissident Is Seen as Goodwill Gesture

By a WALL STREET JOURNAL Staff Reporter

BELJING—China's freeing of Wang Dan, one of its most prominent dissidents, appears to be a gesture to warm bilateral relations before President Clinton arrives in China in June.

Mr. Wang, 29 years old, arrived yesterday morning in Detroit after China released him "for medical treatment in accordance with the law," the Associated Press reported. Human-rights observers said Mr. Wang left Beijing on a Northwest Airlines flight, after undergoing medical checkups over the weekend.

Henry Ford Hospital in Detroit said Mr. Wang had been admitted and was being evaluated, the AP reported. He is eventually expected to fly to New York, according to activists.

In 1993, Mr. Wang was arrested and sentenced to 11 years in jail on charges of conspiring to overthrow the government. Mr. Wang had suffered for the past few months from headaches and a throat infection, family members said.

Mr. Wang's release, which was expected, comes two weeks before a visit to Beijing by U.S. Secretary of State Madeleine K. Albright. But its timing appears aimed at creating a positive atmosphere for Mr. Clinton's trip. U.S. officials welcomed Mr. Wang's release, which met one of Washington's key requests toward improving China's human-rights record.

THE WALL STREET JOURNAL
MONDAY, APRIL 20, 1998

New Regulator Shakes Up Brazil's Oil Industry

Sheltered Petrobras Faces Presidential Son-in-Law Eager for Competition

By PETER FRETSCH

Staff Reporter of THE WALL STREET JOURNAL

RIO DE JANEIRO—Though David Zylbersztajn occupies a tiny office in the shadow of the state oil company's imposing headquarters here, it is his shadow that is beginning to fall across the entrenched interests of Brazil's long-protected oil industry.

The nation's newly minted oil-industry regulator probably will be one of the government's most important and controversial figures in the coming months and years. He will oversee the devolution of "Petro-saurus," as state-owned Petrobras is known, from a lumbering protected species to one that has to compete with Big Oil. How Mr. Zylbersztajn balances the sale of the national patrimony with the need to attract foreign investment to one of the world's last great underexplored oil provinces will also

bear on what many believe will eventually be Latin America's largest privatization ever: that of Petrobras itself.

By August, Mr. Zylbersztajn and his small team at the National Petroleum Agency have to figure out which of the nation's 391 exploration areas Petrobras keeps and which will be offered as concessions in competitive auction. In all, experts think Brazil can rake in \$60 billion in exploration concessions over the next 15 years or so.

The 43-year-old son-in-law of President Fernando Henrique Cardoso, who bears a resemblance to comedic actor Nathan Lane, Mr. Zylbersztajn isn't your ordinary Latin American in-law with a government sinecure. He boasts sound free-market credentials, and Western oil executives are encouraged by his presence. "You'd think that as a relative of the president he might not be a serious appointment, but you'd be wrong," says an official with a large oil company, one of about 80 with new representative offices here.

Taking office three months ago, Mr. Zylbersztajn raised eyebrows by subverting the nationalistic slogan of the 1950s, "The oil is ours!" declaring: "Now, the oil is yours."

In more-concrete terms, Mr. Zylbersztajn

has made it clear that Petrobras won't have its wish list fulfilled. In addition to retaining the rights to all acreage

where it is now producing oil, Petrobras wants to hold on to acreage where it has discovered oil or is exploring.

"They want to keep the filet mignon; I think they want to keep more than they can," says Mr. Zylbersztajn, adding that closing choice fields in the prolific Campos basin to foreign

concerns would probably scare away badly needed investment.

To hold on to its undeveloped fields, Mr. Zylbersztajn says Petrobras will have to prove that it has the technical and financial resources to pump oil from those fields in the next 2½ years: a tall order for a company with costs 30% above the industry standard.

Anxious to get competition under way,



David Zylbersztajn

Mr. Zylbersztajn—a mechanical engineer by training—says he expects to award exploration and production rights and oil and gas import licenses to private concerns early next year, well ahead of the August 2000 deadline. The pace of change worries some of the tenured brass within Petrobras, with whom Mr. Zylbersztajn has had a strained relationship. He says, for instance, that he has met only once with flinty Petrobras President Joel Rennó. Petrobras declined to comment.

Monopolists have good reason to be wary of the newcomer. In his previous post as energy minister for the state of São Paulo, Mr. Zylbersztajn engineered Brazil's most ambitious electric utility privatization program, encompassing three state-owned utilities valued at more than \$18 billion. The first of those sales, that of distributor CPFL in November to a Brazilian-led group, earned \$2.74 billion for government coffers, a 70% premium over the minimum price set for bids.

Also in his former job, Mr. Zylbersztajn was instrumental in helping Brazil put its old ideas of energy self-sufficiency to rest, arguing for the linkage of Brazilian electricity and natural-gas systems to those of

Please Turn to Page A15, Column 3

Continued From Page A12

its neighbors. He fought Petrobras over the terms of a key Bolivian gas pipeline, helping to ensure the project's financial viability for investors.

Of course, Mr. Zylbersztajn's goal isn't to see Petrobras done away with. "What we want, and what we need, is more oil and less monopoly," he says. With Brazilian energy demand growing at almost 7% a year, that should leave more than enough work for everybody. And many foreign oil companies will surely opt for joint ventures with Petrobras, which enjoys a strong reputation for its skill in ex-

tracting oil from the deep waters off Rio de Janeiro state.

For now, Mr. Zylbersztajn is keeping his distance from foreign oil companies anxious for an audience. That will change, though, in the coming weeks after his agency sets out the financial terms governing exploration concessions. Those terms will be a crucial determinant in the level of foreign interest in sinking wells in Brazil.

Mr. Zylbersztajn vows that fee and royalty structures will have to be attractive to keep companies from going elsewhere, especially given currently weak oil prices. "We must be competitive," he says.

THE WALL STREET JOURNAL

MONDAY, APRIL 20, 1998

Colombia Grapples With Exodus of Oil Companies

By THOMAS T. VOGEL JR.

Staff Reporter of THE WALL STREET JOURNAL

Oil companies are pulling out of Colombia, once the hottest spot for new petroleum investment in Latin America.

Over the past few months Lasmo PLC, Triton Energy Ltd., Royal Dutch/Shell Group and British Petroleum PLC, among others, have decided to scale back exploration and production operations or put their projects up for sale and leave.

Thanks to inflexible and unattractive contract terms over the years, growing problems with guerrilla violence, and more-intense competition among developing nations for new petroleum investment, oil companies drilled just 18 exploratory wells last year in Colombia, down from 76 in 1988.

The reduced exploration has meant a slowdown in Colombia's buildup of proven oil reserves. Government officials recently warned that the country might have to import oil by 2005 if the pattern continues. Oil became Colombia's biggest traditional export for the first time in 1996.

Colombia is trying to play down the exodus at the same time that it scrambles to

attract badly needed new investment. Colombian oil officials hit the road last week to talk up 36 proposed exploration and production projects and reverse the decade-long decline in exploration.

"It's not true that investors don't like Colombia," says Oil Minister Orlando Cabrales. "The problem is that oil capital migrates and it can go to other countries."

Please Turn to Page A15, Column 1

Continued From Page A12

he says. "We always have companies coming and going."

Mr. Cabrales bristles at comments that Colombia has been unresponsive for too long to concerns about contractual terms. "Tell them they are liars," he says. "This isn't true now and it wasn't true before."

Colombia's recent efforts to mend fences show the government is sensitive to the problem. But oil industry officials say the efforts may be a case of too little, too late.

"The industry doesn't understand" why Colombia has taken so long to fix its

problems, says Jay Gallagher, editor of the International Oil Letter, a publication of oil consultancy Petroconsultants of Houston. Inflexibility with old contracts meant "it simply was not feasible for many companies to continue investing there," as the costs of security rose and more-attractive opportunities surged elsewhere.

Lasmo has decided to concentrate its resources elsewhere, like neighboring Venezuela, which opened up to foreign oil investment in 1996 and has attracted billions of dollars so far. What's more, Venezuela doesn't have any guerrillas blowing up pipelines, as happened 65 times last year in Colombia. British Petroleum moved its regional headquarters from Bogotá to Caracas last year. Shell has shelved plans for on-shore oil exploration in Colombia, although it signed a deal for off-shore gas exploration earlier this month. Triton, which made a name for itself with the discovery of a huge gusher in Colombia in 1991, has hired bankers for a possible sale of its Colombian interests.

Still, Colombia hopes the proposed new projects will replenish proven reserves by four billion barrels by 2008 and increase exploratory drilling up to 60 wells yearly by 2001, says Mr. Cabrales. Colombia's reserves currently are less than three billion barrels, he says.

But some oil company executives in Colombia believe the Andean nation needs up to 100 new exploratory wells each year to avoid net imports. The nation has dawdled too long and lost its competitive advantage over other developing nations, they say.

Colombia has been hamstrung with guerrilla violence over the past two years, but its inability to create more-attractive contract terms over the past decade may have done more to drive companies out.

"The security issue is a factor . . . but contract terms are not realistic," says one consultant for a number of oil companies in Colombia.

One of the key problems was a 1989 modification that changed exploration contracts to a sliding scale. Instead of evenly splitting revenues from new oil production for the life of the contract, the government's take would increase to 60% and later 70% as certain total production levels were achieved. This doesn't include huge outlays for exploration, which could increase the government's effective take to more than 90%.

"This was very negative for exploration," says one oil executive, "so seismic exploration and exploratory wells dropped."

Oil companies tried for years to modify these contracts with little success. In 1994, the government eliminated the sliding scale for new contracts but not for old ones, which remained in force. The old contracts accounted for most of Colombia's most-promising fields. Last month, the state oil company Ecopetrol announced changes in old contracts that would allow credit for a greater portion of exploration costs in calculating the government's take.

Now, oil companies have a shot at reducing the government's take, including exploration costs, from more than 90% of oil revenues in some cases to less than 85%.

THE WALL STREET JOURNAL
MONDAY, APRIL 20, 1998



NEW JERSEY CAPTURES SPOT IN PLAYOFFS 1C

SCHEDULE, END OF NBA SEASON REPORT, 11-12C

IRWIN CAPTURES 3RD IN ROW AT SENIORS' CHAMPIONSHIP 10,13C

More Irwin Wins Tourney by Seven strokes 10C



LINDA MCCARTNEY DIES OF CANCER 1, 9D

EX-BEATLE'S WIFE WAS ON VACATION WITH FAMILY IN CALIF

COO-COO CRAZY: THE RAT PACK APPEALS TO NEW GENERATION 1D



McCartney: Began career as photographer

MONDAY, APRIL 20, 1998

NEWSLINE

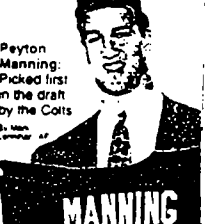
A QUICK READ ON THE NEWS

ASIA STOCKS: In Japan, the Nikkei stock average is down 0.30%, 46,711 points at 11:57 a.m. today. Hong Kong's Hang Seng index is up 81.96 to 11,083.28 in early trading.

CONSERVING ENERGY: Landmarks such as Empire State Building and Sears Tower are doing their part by upgrading light bulbs and windows. 3A.

COMPLETE COVERAGE, 1, 3, 6, 13C

EVERY TEAM, EVERY PICK



Peyton Manning: Picked first in the draft by the Colts

MANNING

BROWN FOR MAYOR: Jerry Brown, the former California governor, says if he's elected mayor of Oakland, he can turn the town around. 3A.

CHINESE DISSIDENT: Wang Dan, jailed for his role in Tiananmen Square democracy protests, is released from China, arrives in Detroit. 8A.

CONFIDENTIAL: Nation's biggest marketers are paying attention to customers' desire for more privacy. 1B.

TODAY'S DEBATE: Trade in the Americas. In USA TODAY's opinion, "Others, including Mexico and Canada, are not burdened by trade obstacles." 12A.

► "America can have free-trade treaties with Chile, Latin America and the rest of the world now. The principal obstacle, however, is our president's insistence that he be given a fast-track shortcut around the U.S. Constitution," says Pat Choate. 12A.

MONEY: Investors in banks get windfalls. 11B.

► Radio shows about stocks can be misleading. 11B.

► Entrepreneurs finding success on Internet. 311.

► Gas prices expected to stay low this summer. 8B.

SPORTS: Rangers rock Orioles 11-7. Baseball scores, team-by-team notes. Inside Pitch column. 4-6C.

► Flyers fall to Bruins 3-1. NHL. 1, 7C.

LIFE: Clapton concert is portrait in blues. 11D.

► MTV viewers pick a new VJ: a guide to sweep. TV. 3D.

► The best college tuition deals in years. Education. 7D.

COMING THIS WEEK



Peak performance

USA TODAY's Tim Friend treks with the 10-member 1998 American Everest Expedition in the name of science. Life Tuesday.

Power play

Guide through the action with the NHL playoffs guide. Bonus Section Wednesday.

Written by John O. Buckley

Crossword	70
Editorial/Opinion	12, 13A
Lotteries	3D
Marketplace Today	7, 9D
State-by-state	10A
TV listings	10D

© COPYRIGHT 1998 USA TODAY, a division of Gannett Co. Inc.

Oklahoma child is an icon of renewal

Baylee brought tears; Bella brings hope



Tragedy: Freeman carries the body of Baylee Almon.



Bombing Anniversary: Aren Almon Kok, whose daughter Baylee died in the Oklahoma City bombing, shows her new baby, Bella, to fireman Jon Hansen at third anniversary services Sunday. "We'll never forget Baylee," he said. "But now we have another beautiful symbol of new life." (Story, 3A)

U.S. again condemns Iran for supporting terrorism

By Barbara Slovins USA TODAY

A new State Department report again slams Iran as the most active state supporter of terrorism, a finding that could inflame the debate in the U.S. and in Iran over resuming official ties.

Rep. Lee Hamilton of Indiana, ranking Democrat on the House International Relations Committee, confirmed the finding of the report, to be issued April 30. "It is a snapshot of activity in 1997," he said.

Mandated by Congress, the report acknowledges condemnations of terrorism by Iran's new, more moderate president, Mohammad Khatami. But it is similar to last year's, which called Iran the "premier state sponsor" of terrorism.

The report faults Iran for hosting leaders of groups associated with terrorism and links it to 13 assassinations, mostly of



Khatami: Less vocal critic of Western predecessors.

members of Kurdish and other groups opposing Iran.

Some analysts oppose defining such activity as terrorism. "This is a political document that preaches to the converted and has the intellectual depth of a mud puddle," said Anthony Cordesman of the Center for Strategic and International

Studies in Washington.

The Clinton administration is caught in a dilemma as it tries to hold out an olive branch to Iran while carrying out laws that pre-date Tehran's conciliatory new tone.

The White House has positioned Iran on a 1998 list of sanctioning foreign oil companies dealing with Iran. But congressional staffers say the White House grudgingly agreed last week to spend \$2.6 million on a surrogate broadcasting station that supporters want to call Radio Free Iran.

The debate over this year's terrorist report, which also evaluates Iraq, Libya and other countries, was especially heated, publicists said.

Some argued that tough rhetoric would push the Iran to curtail links to extremist groups such as Hezbollah in Lebanon. Others worried that it would just antagonize Iranian hawks to the United States.

Undergrads neglected, report says

By Mary Beth Marklein USA TODAY

Undergraduates are a "major source" of income for research universities, yet many of them graduate "without knowing how to think logically, write clearly or speak coherently," says a scathing report out today.

The report, a 215-year project funded by the prestigious Carnegie Foundation for the Advancement of Teaching, recommends a radical overhaul of undergraduate education at the nation's 125 research universities.

It says most undergraduate programs at research institutes offer "boring" freshman courses taught either by international graduate students who don't speak fluent English or "tenured drones" lecturing from yellowed notes.

The report says the institutions should develop a curriculum for undergraduates that emphasizes research, the hallmark of graduate and faculty scholarship. It also suggests creating mentoring programs.

The report comes at a time when undergraduate education is facing increasing public scrutiny. Research institutes also are scaling back doctorate programs because the market for those students is dwindling.

The "timing couldn't be better," says Arthur Levine, president of Teachers College at Columbia University in New York. "Universities have to do something because legislators are pushing them, students are (behaving) more like consumers and parents are worried about costs."

Levine was not involved in creating the report, although Columbia is one of the schools listed by the foundation as a research university.

The ranks of research schools include private universities like Brown, Harvard, Vanderbilt and Carnegie Mellon, but most are large state institutions such as Penn State, Ohio State and the University of California at Los Angeles.

"We don't mince words," says Shirley Strum Kenny, president of State University of New York at Stony Brook and chair of the commission that prepared the report. "But there is a kind of enervating excitement about it."

The group, made up of faculty and administrators of research universities and leaders of nonprofit organizations, anticipates a strong response to the report.

It says its recommendations "will be controversial; some administrators and faculty will protest that they are unreachable or impractical..." but it hopes the report "will stimulate new debate about the nature of undergraduate education in research universities that will produce widespread and sweeping reform."

Americas plan duty free zone

By Bill Nichols USA TODAY

SANTIAGO, Chile — Leaders of the Western Hemisphere's 34 democracies ended the second Summit of the Americas Sunday by launching talks to create the world's largest duty-free zone.

Trade negotiations could begin as early as June. But obstacles remain as Latin American leaders expressed concern that Congress will not support President Clinton's request for fast-track trade authority in the foreseeable future.

Fast-track authority allows U.S. presidents to negotiate trade deals that can only be approved or vetoed down by Congress, not amended. It was narrowly defeated in the House of Representatives last fall.

Leaders at the summit agreed that without fast-track the plan to establish a free trade area throughout the region by 2005 is in jeopardy.

Clinton assured the leaders fast track would pass. But administration officials, both in public and private, were unable to outline any scenario under which that could happen anytime soon.

If the United States were not part of any free trade agreement, it could be at a competitive disadvantage.

Latin America, which has been unilaterally lowering import barriers in recent years, is the fastest growing foreign market for U.S. exports.

Last year Mexico overtook Japan to become the second largest importer of U.S. products after Canada.

The Americas, including Canada, accounted for 40% of \$699 billion U.S. exports last year.

Summit leaders also took steps to address social and economic inequalities and the corruption endemic in some countries that threaten fledgling democracies.

Some of the programs agreed upon:

► An \$8.3 billion international loan package for improving education. The Clinton administration pledged \$130 million.

► A multilateral drug alliance that would monitor each Latin American country's anti-drug efforts under the auspices of the Organization of American States.

► Easier credit terms to help start and operate small businesses.

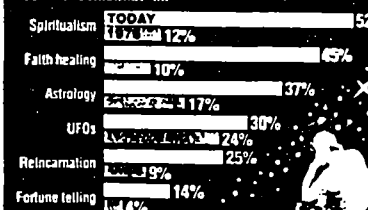
► \$3.9 billion in international assistance in fight corruption, promote workers' rights and curb child labor.

USA SNAPSHOTS®

A look at statistics that shape the nation

Belief in the beyond

Belief in many of these phenomena has grown sharply since the 1970s. Adults today vs. 1976 who say they believe "somewhat" in:



Source: Gallup Organization, 1997. *1976 data not available for Spiritualism, Faith healing, and Astrology.

States feel term limits' effects

By Richard Wolf USA TODAY

SMACKOVER, Ark. — When Rudy Byrd was elected governor of Arkansas in 1992, he was the first of his family to be elected to the highest office in the state. He was also the first of his family to be elected to the highest office in the state.

For a small-town insurance agent who has spent the past three decades in the state legislature, that's not Newman. 71 had always planned on keeping the job that gave him that clout until a time when his health might force him to retire.

But now, term limits are forcing him out. A 1992 Arkansas law limits the length of time state lawmakers can serve to six years in the House or eight in the Senate, counting back from this fall.

Arkansas' 100 House members, with 750 years of combined service, must relinquish their post by June 1, 1999.

In state legislatures across the country, the term-limit trend that swept the nation at the dawn of the decade is gaining momentum. Originally aimed at Congress but debated in court, the limits will strike across state legislatures this fall, making

them what Oregon state treasurer Jim Ball calls "the only place where experience is unconstitutional."

Nearly 25 of the nation's state lawmakers are barred from seeking reelection this fall. Michigan has the most, 67 of 110 House members must leave office. Missouri has the fewest, state Sen. William McKenna is the lone casualty. California and Maine, which pioneered term limits in 1996, are banning legislators for the second time. Colorado and Oregon are losing more than 50% of their lawmakers.

The trend won't stop after this fall's



Out of time: Arkansas legislator Rudy Byrd is retiring because of the state's term limits.

J.S. again concerned for supporting terrorism

By Barbara Slavín
USA TODAY

A1
A new State Department report again slams Iran as the most active state supporter of terrorism, a finding that could inflame the debate in the USA and in Iran over resuming official ties.

Rep. Lee Hamilton of Indiana, ranking Democrat on the House International Relations Committee, confirmed the finding of the report, to be issued April 30. "It is a snapshot of activity in 1997," he said.

Mandated by Congress, the report acknowledges condemnations of terrorism by Iran's new, more moderate president, Mohammad Khatami. But it is similar to last year's, which called Iran the "premier state sponsor" of terrorism.

The report faults Iran for hosting leaders of groups associated with terrorism and links it to 13 assassinations, mostly of

Studies in Washington. The Clinton administration is caught in a dilemma as it tries to hold out an olive branch to Iran while carrying out laws that pre-date Tehran's conciliatory new tone.

The White House has postponed action on a 1996 law sanctioning foreign oil companies dealing with Iran. But congressional staffers say the White House grudgingly agreed last week to spend \$2.6 million on a surrogate broadcasting station that supporters want to call Radio Free Iran.

The debate over this year's terrorist report, which also evaluates Iraq, Libya and other countries, was especially heated, participants said.

Some argued that tough rhetoric would push the Iran to curtail links to extremist groups such as Hezbollah in Lebanon. Others worried that it would just antagonize Iranians hostile to the United States.



By Mohammad Sayyad AP
Khatami: Less vocal critic of West than predecessors.

members of Kurdish and other groups opposing Iran.

Some analysts oppose defining such activity as terrorism. "This is a political document that preaches to the converted and has the intellectual depth of a mud puddle," said Anthony Cordesman of the Center for Strategic and International

Undergrads neglected, report says

By Mary Beth Marklein
USA TODAY

A1

Americas plan duty free zone

By Bill Nichols
USA TODAY

A1

Undergraduates are a "major source" of income for research universities, yet many of them graduate "without knowing how to think logically, write clearly or speak coherently," says a scathing report out today.

The report, a 2½-year project funded by the prestigious Carnegie Foundation for the Advancement of Teaching, recommends a radical overhaul of undergraduate education at the nation's 125 research universities.

It says most undergraduate programs at research institutes offer "boring" freshman courses taught either by international graduate students who don't speak fluent English or "tenured drones" lecturing from yellowed notes.

The report says the institutions should develop a curriculum for undergraduates that emphasizes research, the hallmark of graduate and faculty scholarship. It also suggests creating mentoring programs.

The report comes at a time when undergraduate education is facing increasing public scrutiny. Research institutes also are scaling back doctorate programs because the market for those students is dwindling.

The "timing couldn't be better," says Arthur Levine, president of Teachers College at Columbia University in New York. "Universities have to do something because legislators are pushing them, students are (behaving) more like consumers and parents are worried about costs."

Levine was not involved in creating the report, although Columbia is one of the schools listed by the foundation as a research university.

The ranks of research schools include private universities like Brown, Harvard, Vanderbilt and Carnegie Mellon, but most are large state institutions such as Penn State, Ohio State and the University of California at Los Angeles.

"We don't mince words," says Shirley Strum Kenny, president of State University of New York at Stony Brook and chair of the commission that prepared the report. "But there is a kind of enlivening excitement about it."

The group, made up of faculty and administrators of research universities and leaders of nonprofit organizations, anticipates a strong response to the report.

It says its recommendations "will be controversial; some administrators and faculty will protest that they are unreachable or impractical..." but it hopes the report "will stimulate new debate about the nature of undergraduate education in research universities that will produce widespread and sweeping reform."

SANTIAGO, Chile — Leaders of the Western Hemisphere's 34 democracies ended the second Summit of the Americas Sunday by launching talks to create the world's largest duty-free zone.

Trade negotiations could begin as early as June. But obstacles remain as Latin American leaders expressed concern that Congress will not support President Clinton's request for fast-track trade authority in the foreseeable future.

Fast-track authority allows U.S. presidents to negotiate trade deals that can only be approved or voted down by Congress, not amended. It was narrowly defeated in the House of Representatives last fall.

Leaders at the summit agreed that without fast-track, the plan to establish a free trade area throughout the region by 2005 is in jeopardy.

Clinton assured the leaders fast track would pass. But administration officials, both in public and private, were unable to outline any scenario under which that could happen anytime soon.

If the United States were not part of any free trade agreement, it could be at a competitive disadvantage:

► Latin America, which has been unilaterally lowering import barriers in recent years, is the fastest growing foreign market for U.S. exports.

► Last year Mexico overtook Japan to become the second largest importer of U.S. products after Canada.

► The Americas, including Canada, accounted for 40% of \$690 billion U.S. exports last year.

Summit leaders also took steps to address social and economic inequalities, and the corruption endemic in some countries that threaten fledgling democracies.

Some of the programs agreed upon:

► An \$8.3 billion international loan package for improving education. The Clinton administration pledged \$130 million.

► A multilateral drug alliance that would monitor each Latin American country's anti-drug efforts under the auspices of the Organization of American States.

► Easier credit terms to help start and operate small businesses.

◀ \$5.9 billion in international assistance to fight corruption, promote workers rights and curb child labor.

op of page:

Col 1: Feature on emergency medical transportation.

Col 2: A big "what if" hangs over the sanity trial of condemned triple-murderer Horace Edward Kelly Jr.: What if the jury charged with deciding whether the California inmate is sane enough to be executed concludes that he is not? (DEATHROW-SANITY, moving Monday).

Cols 3-5: China's release of student leader Wang Dan represents one of the last steps in an extensive package deal secretly negotiated earlier this year by the Clinton administration and the Chinese government, according to administration officials and Chinese sources. (with art) (CHINA-TALKS, moved).

Col 6: The 34-nation Summit of the Americas that ended in Santiago, Chile Sunday offered far more than a chat-fest on such regional dilemmas as drugs and poverty: It provided a glimpse of a future in which the United States and its neighbors struggle more collectively than ever before to tackle their problems. (LATIN-SUMMIT-TIMES, moved).

Above fold:

Col 2: In just two years, the Census Bureau faces the staggering task of counting the U.S. population, and federal officials have chosen Sacramento, Calif., as the urban test kitchen for the most innovative and controversial census in 200 years. (CENSUS, moving Monday).

Cols 3-4: Less than 24 hours after his release from a Chinese prison, prominent political dissident Wang Dan is admitted to a Detroit hospital for a thorough medical evaluation. (with art) (CHINA-WANG-TIMES, moved).

Below fold:

Cols 3-4: A bill before the Senate that would provide tax breaks for people saving for private school expenses has broad implications on the future of school financing. (SCHOOLS, moving Monday).

Bottom of page:

Cols 1-5: Feature on Jews in America.

Summit Leaders Pitch Free Trade Zone in Americas (Santiago)
By Sebastian Rotella and Jonathan Peterson (c) 1998, Los Angeles Times

SANTIAGO, Chile The 34-nation Summit of the Americas that ended here Sunday offered far more than a chat-fest on such regional dilemmas as drugs and poverty: It provided a glimpse of a future in which the United States and its neighbors struggle more collectively than ever before to tackle their problems.

The Western Hemisphere's leaders agreed Sunday to move forward on plans to create a vast free trade zone throughout the Americas, to formally outlaw corruption and to cooperate on efforts to nurture Internet and other electronic commerce in the hemisphere. The leaders set a September deadline to begin talks in Miami aimed at establishing a Free Trade Area of the Americas by 2005.

Moreover, in areas from schools to health care to political freedom, the United States offered itself as an example and partner to the region's junior democracies rather than as the feared and resented enforcer of the past.

President Clinton's failure to come to Chile with broader trade-negotiating authority from Congress was interpreted by some as a sign of diminishing U.S. influence. On Sunday, El Mercurio, Chile's leading newspaper, ran this headline: "The Timidity of the Giant: Clinton Came to Regain His Leadership." But such sentiments only underscored the rising strength and confidence of Brazil, Chile and other nations that reacted approvingly to a U.S. approach they saw as more cooperative and less ostentatious than in the past.

"One of the things that had weakened and hurt the relationship of the United States and Latin America was the fact of a very powerful United States dealing with weak nations," said Genaro Arriagada, a key summit organizer for Chilean President Eduardo Frei, in an interview Sunday. "So a leadership that is more friendly, which is the type Clinton has adopted but less powerful is a great opportunity for a better inter-American relationship."

Other views of the future expressed at the gathering were downright warm and fuzzy, such as the multilingual valentine to a changing hemisphere offered by Prime Minister Jean Chretien of Canada during closing remarks: "It is clear that we are becoming more than amigos (friends). We are becoming 'una gran familia' (a big family)."

To be sure, no one is declaring an end to the practice of power politics, nor is anyone characterizing Honduras or Barbados as the head of the hemispheric family. But Clinton, rather than seeming worried about supposedly weakened leadership, appeared to be remaking the U.S. approach to keep in step with a region that, having established democracy and begun economic growth with remarkable speed, has entered a new phase dominated by demands for social justice and solid institutions in democracies that are still works in progress.

And White House officials, sensitive to any perception that their nation has slipped in stature, pointed out that the United States accounts for \$7 trillion of the hemisphere's annual \$9 trillion economy.

As the leaders reiterated Sunday during an open-format discussion, a foremost menace to their interdependent societies is drug cartels with massive firepower and unlimited resources.

"We are not losing the war on drugs, but we are not winning it either," Colombian President Ernesto Samper told his colleagues, in an assessment viewed by some observers as optimistic at best.

The drug issue exemplifies the still-evolving new partnership between the United States and its southern neighbors. Leaders this weekend announced a new "alliance against drugs" and approved a proposal for the Organization of American States, or OAS, to conduct an annual evaluation of the anti-drug efforts of all nations in the hemisphere.

The subtext of this accord was an effort by U.S. and Latin officials to mollify the anger provoked by yearly U.S. "certification" of the anti-drug performance of nations such as Colombia, which has been deemed uncooperative two years in a row because of corruption alleged to reach as high as Samper.

Latin American nations call the U.S. attitude demeaning and hypocritical because it fails to account for the fundamental role of demand by U.S. drug users. Some nations see the new OAS mechanism as a big step toward scuttling certification by the White House.

But Thomas "Mack" McLarty, Clinton's special envoy to the Americas, and others made it clear Sunday that, despite the new OAS role, the U.S. certification process will continue because it is mandated by federal law.

More than any other issue in Latin America, the drug problem gets the attention of the U.S. public and subjects the White House to

political cross-fire. Republican members of Congress criticized the announced anti-drug alliance as a capitulation by Clinton to a "blame America crowd."

"The heart of many of these one-sided, ill-informed arguments is that the drug crisis is fueled by an insatiable 'demand' in the U.S.," said Reps. Benjamin A. Gilman, R-N.Y., and J. Dennis Hastert, R-Ill., in a written statement. "Simply put, supply can and does sustain demand."

Another perennially divisive issue, the widespread opposition to the hard-line U.S. stance against Cuba, arose Sunday as it does at every hemispheric gathering. But speculation that Brazil, Argentina, Canada and other key players would make an embarrassing public pitch for a change in U.S. policy was not borne out. The United States and its neighbors agreed to disagree.

When Caribbean presidents raised the topic of closer ties to Cuba, Clinton responded, according to National Security Adviser Samuel R. "Sandy" Berger, that "we have to keep our eye on the goal here of promoting democracy in Cuba, and whatever they do individually, we should not change the nature ... of the summit and the OAS process."

Although he did not visit the region during his first term, this was Clinton's third trip south of the border in a year. His engaging style is well received in Latin America, as is his celebration of the hemisphere as an economic powerhouse. The president and his advisers repeatedly cited a litany of statistics showing the explosion of U.S. trade in the Americas; for example, the U.S. trades more with Argentina than with Russia and more with Chile than with Indonesia.

The next Summit of Americas will be held in Canada, although the year has not been announced.

Domain Name Ruling Opens an Internet Can of Worms (Los Angeles) By Jennifer Oldham and Karen Kaplan (c) 1998, Los Angeles Times

LOS ANGELES In a decision that could prevent tens of thousands of people from using their last names to identify themselves on the Internet, a federal judge in Los Angeles has ruled that a Canadian company must relinquish the every.net and dennison.net domain names to business supplies maker Avery Dennison Corp.

U.S. District Judge J. Spencer Letts last week ordered Vancouver-based FreeView Listings to sell the domain names to Pasadena, Calif.-based Avery Dennison for \$300 apiece a \$200 markup over what the company paid for them.

Legal experts say the decision could have a far-reaching impact on the way trademark law is applied to the Internet.

FreeView had reserved the names along with thousands of other common surnames so it could lease them to people seeking e-mail addresses that contain their last names. FreeView allows people who share a surname to use the same domain name for e-mail, as in john(at)doe.net

Avery Dennison sued FreeView and its founder, Jerry Sumpton, for trademark violations and unfair competition.

While corporations routinely trademark their company names, they may not consider registering them as a domain name. Avery Dennison trademarked its brand name, then went on to register <http://www.every.com> and <http://www.everydennison.com>

In his ruling, Letts said FreeView's use of the names would dilute Avery Dennison's trademark. Sumpton said he will appeal the decision.

The ruling suggests that people who share names with corporations such as Johnson & Johnson, Procter & Gamble, Sherwin Williams and Ford may be unable to use their names in e-mail or Web site addresses if companies have already trademarked them.

Sumpton's lawyer said the decision "turns trademark law on its head" by giving companies the exclusive use of people's last names online.

"The concept that someone with a trademark has a monopoly over all given uses has ... simply never been the law in any case I've ever seen," said Eric Bakri Boustani, an attorney with Monterey, Calif.-based Davis & Schroeder.

According to Boustani, Avery Dennison registered at least 12 new domain names, including everynet.com, everycorp.com, dennisonavery.net and dennisonavery.com after Letts' ruling.

Avery Dennison attorney David Quinto defended the ruling and pointed out that Sumpton could have leased the domain names to the company's competitors, who could then have used them to promulgate misinformation about the company.

"This is a victory for consumers, who are less likely to be misled by people who register other people's trademarks as their domain names," said Quinto, of the firm Quinn Emanuel Urquhart Oliver & Hedges in

Los Angeles. "People who use the Internet expect to be able to get information about companies or products by looking for those trademarks."

Quinto's company has also sued Network Solutions on behalf of Lockheed Martin, alleging that the domain name issuer improperly registered the aerospace company's trademarked Skunkworks name to several other parties. That case was dismissed last year and has been appealed to the 9th U.S. Circuit Court of Appeals in San Francisco.

Legal experts say these cases and a growing number like them underscore the clash between current trademark law and the nature of the Internet. Trademark law recognizes distinctions that allow several companies to use the same name, such as United Airlines, United Van Lines and United Parcel Service.

"The way the domain name system is set up is that a domain name is treated as a unique asset," said Edward G. Poplawski, a Los Angeles-based attorney at Pretty, Schroeder & Poplawski, who represents Network Solutions. "If I register avery.com, then I'm the only one who can have that."

Herndon, Va.-based Network Solutions was also named a defendant in the suit, but Letts dismissed Avery Dennison's claims against the company.

But the argument that companies have exclusive rights to their trademarks online doesn't sit well with some cyberlaw experts.

"A trademark doesn't give you the right to stop anyone from using the word altogether," said Eugene Volokh, a UCLA law professor. "Think about Johnson & Johnson. Does it stop people from using the name Johnson? No. But it does stop you from using Johnson for commerce in a way that would cause confusion."

Volokh added: "If this decision is upheld, it would really increase the number of trademark conflicts that are out there online."

The issue could grow as the Internet community prepares to adopt new top-level domains, such as .firm and .web that can substitute for .com and .net. The plan was intended to increase the number of available domain names. But if companies with trademarks have exclusive rights to their names, the benefit of creating new suffixes will be jeopardized, Sumpton said.

In the FreeView case, the company was hurt by its apparent similarity to so-called cybersquatters, who register domain names they think will be valuable to other companies and then try to sell them at big profits. Ironically, the ruling makes FreeView a cybersquatter by forcing the company to turn over the domain names in exchange for the markup.

1 Killed, 3 Wounded in West Bank Land Confrontation (Maon) By Rebecca Trounson (c) 1998, Los Angeles Times

MAON, West Bank A long-running dispute over farmland near this Jewish settlement turned deadly Sunday when an Israeli settler was shot and killed by Palestinians and three other people, including a Palestinian man, were wounded.

The confrontation in the hills about 12 miles southeast of Hebron began when several settlers tried to force a group of Palestinians to leave a piece of land that both sides claim. The two groups quarreled and, according to Israeli army officials, one of the Palestinians grabbed a settler's gun and opened fire, killing Dov Dribben, a 28-year-old resident of Maon.

Two other settlers were injured, one of them moderately, and a Palestinian was shot in the chest, apparently by one of the Israelis. The incident is under investigation, and the army detained several Palestinians Sunday for questioning.

Israeli Prime Minister Benjamin Netanyahu, speaking at a news conference in Jerusalem with visiting British Prime Minister Tony Blair, called the shooting a "very serious matter," coming as it did at a time of high tension between Israelis and Palestinians over the lack of progress toward peace.

"This young man was killed in cold blood," Netanyahu declared. "It's straightforward murder."

But others, including Palestinian residents and Israeli security sources in the area where the shooting occurred, said the incident was not so clear-cut. Dribben and the Israeli settlers wounded with him had histories of provoking confrontations with Palestinians who lived nearby, the security sources said, asking not to be quoted by name.

The violence Sunday morning broke out just hours before Blair arrived in Jerusalem in a new effort to revive the deadlocked Middle East peace process, and it underscored just how difficult his task will be.

U.S. peace envoy Dennis B. Ross is scheduled to arrive in the region at the end of the week on another shuttle mission to persuade Israel and the Palestinians to make progress in the peace talks, which have

The Washington Times

http://www.washtimes.com

WASHINGTON, D.C., MONDAY, APRIL 20, 1998

PHONE: (202) 636-1000 FAX: (202) 636-1331 25 cents

AFTER DEATH, NEW LIFE BRINGS HOPE



Aren Almon Kok shows off her new baby, Bella, to Oklahoma City firefighter John Hansen during ceremonies at the third anniversary of the bombing of the Alfred P. Murrah Federal Building. Mrs. Kok's first daughter, Baylee Almon, is remembered as the child killed in the April 19, 1995, explosion. Story, A3.

Whitewater prosecutors split over charging Hillary

By Jerry Saper
THE WASHINGTON TIMES

Whitewater prosecutors have written at least one draft indictment of Hillary Rodham Clinton, but they remain divided over whether to charge the first lady with lying about legal work she did for a failed Arkansas real estate project.

Lawyers and others close to the Whitewater probe said the draft became "a work in progress" after Mrs. Clinton's January 1996 grand jury appearance, when prosecutors concluded she made false statements under oath in denying doing legal work for the 1,050-acre Castle Grande venture.

Sources said prosecutors remain divided over how to proceed in the case.

Some believe Mrs. Clinton should be indicted for false statements she made to the grand jury and to federal banking regulators at the Resolution Trust Corp. and the Federal Deposit Insurance Corp. about her Castle Grande work. They also think she and White House officials tried to cover up her involvement in the venture.

Others, while not convinced she was telling the truth, have said inconsistencies in Mrs. Clinton's sworn statements should be addressed in reports independent counsel Kenneth W. Starr will de-

liver to the federal appeals court and Congress.

By Joyce Howard Price
THE WASHINGTON TIMES

In his first public remarks since the scandal broke, the attorney for Linda R. Tripp yesterday charged that President Clinton's supporters have waged a campaign of "vilification" against his client, and he denied that she betrayed her onetime friend Monica Lewinsky by secretly taping their private conversations.

In a lengthy interview on ABC's "This Week," Anthony Zaccagnini said both he and Mrs. Tripp, whose tapes triggered the probe into a possible sexual relationship between Miss Lewinsky and the president, fear she will be fired from her Pentagon job.

"At no time did Linda ever attempt to entrap Monica to di-

lodge the nature of her relationship with the president of the United States. That simply did not happen," said Mr. Zaccagnini.

Separately, John Whitehead, president of the Rutherford Institute, which is financing Paula Jones' sexual-misconduct lawsuit against Mr. Clinton, confirmed yesterday a report in The Washington Times that Mrs. Jones and her husband, Steven, would settle the case without getting a dime if Mr. Clinton would acknowledge being in the hotel room with Mrs. Jones and saying, "I was wrong. I am sorry."

"All she wants is her name back. And I think if that happens, the case would be over," Mr. Whitehead said.

see TAPES, page A5

Russia's economy revives, but is on the wagon

Sinking fuel prices, Asian financial woes could lead to relapse

By Martin Sief
THE WASHINGTON TIMES

Russians have tamed inflation and ended a seven-year slide into economic misery, but the first tentative signs of growth are threatened by collapsing world energy prices and the Asian financial crisis.

The Russian economy grew last year by 0.4 percent, its first official growth since the disintegration of the Soviet Union and the collapse of the communist system in 1991. Inflation, which peaked at more than 1,350 percent in 1992, was running at just 8 percent earlier

this year.

But that fragile growth in gross domestic product has halted again, and the country's foreign trade surplus is shrinking, former Fuel and Energy Minister Sergei Kiriyenko told the Russian parliament this month.

"The growth of GDP has stopped. It grew during the fourth quarter of the past year. There was still some growth in January. [But] in March it is equal to zero," Mr. Kiriyenko said in an April 10 speech.

"The drastic decline of investments in primary capital has resumed," Mr. Kiriyenko warned.

"In January-February of this year the drop amounted to 7.5 percent as compared to January-February of 1997."

Also, he said, "the foreign trade surplus is shrinking. In January-February alone the surplus amounted to only \$150 million a month as compared to an average of \$1.5 billion a month last year."

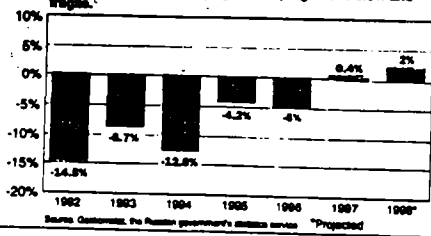
The growing fiscal pressures are already having grave consequences on the well-being of ordinary Russians, Mr. Kiriyenko said.

"The situation in the social

see RUSSIA, page A10

RECOVERY AT LAST?

After years of economic decline, Russia's gross domestic product is finally growing again, but progress is slow and fragile.



Chinese dissident arrives in Detroit

Wang a free man before Clinton trip

From continued page A5

DETROIT — Wang Dan, a leader of the 1989 Tiananmen Square protests and one of the country's most prominent dissidents, arrived here yesterday after being freed from a Chinese jail. His release comes just two months before President Clinton's planned visit to Beijing.

"It's very welcome news," said White House national security spokesman Eric Rubin, who was with Mr. Clinton in Chile for the Summit of the Americas yesterday. "This is something we've raised repeatedly with the Chinese, and we consider it a very positive step."

Mr. Wang, 29, the second major Chinese dissident to be released in six months, was hospitalized for tests.

In the past, China has tried to use such releases to improve the atmosphere before high-level contacts, prompting human rights groups to accuse it of playing "hostage politics."

A leading congressional critic of Chinese human rights violations

see DISSIDENT, page A15

Robust economy fails to allay fears

Some voters worry they won't adapt to new job market

By Nancy E. Roman
THE WASHINGTON TIMES

Despite the booming economy, Republicans and Democrats on the campaign trail are hearing from men and women who are insecure about the future and worried about the job market their children will face.

Dozens of candidates from Alabama to Illinois see their districts as the exception to the rule of low unemployment, economic strength and low inflation.

"There's a lot of turmoil here despite the overall high level of the economy in general," said Gil Aust, a Republican challenging a Democratic incumbent in northern Ala-

bama.

He said high unemployment plagues the western end of the district. Factories have closed. Reynolds Aluminum has downsized. The Tennessee Valley Authority, one of the district's largest employers, has cut back.

"It might be booming other places, but not here," Mr. Aust said. "It's almost ironic, isn't it?"

David Phelps, a Democrat running for an open seat in southeastern Illinois, said that in barber shops and coffee shops he hears from older people worried their pensions won't be sufficient and young people who "fear they won't have it as good as we did."

"The boom may be felt every-

where in the country, but it sure is not felt here in southern Illinois," said Mr. Phelps, a former school teacher who now serves in the state legislature. "That's the main line out of my speeches."

National inflation, according to the Consumer Price Index, has been running at an annual rate of about 1.4 percent. In the first quarter of 1998, unemployment was at an average of 4.7 percent — the lowest rate since 1970.

But even in areas where the economy is strongest, like northern Kentucky, where the Cincinnati suburbs are booming, candidates pick up economic insecurity.

see JOBS, page A10



Fatal mishap

Two biplanes collide yesterday during the Air Show of the Stars in Kissimmee, Fla. Both of the pilots, who were part of the Red Baron Stearman Squadron of Marshall, Minn., were killed. Story, A8.

Barry's personal security a challenge for Ramsey

By Jim Keary
THE WASHINGTON TIMES

Ensuring adequate security during Mayor Marion Barry's personal visits around the city could provide an important first test for Charles H. Ramsey as the veteran Chicago police official prepares to take over this week as the District's police chief.

The nominee, who faces a confirmation hearing today, says he wants to resolve the summering security issue so that he can concentrate on more urgent concerns such as improving the Metropolitan Police Department's deployment, equipment and tactics to reduce homicides and other crime.

Mr. Barry has blocked recent attempts by top police officials to tighten his security during unscheduled stops at private residences, a long-running distraction

Chief Ramsey's ability to stand up to the mayor could determine who really is in control of department procedures on the most basic level.

In an interview last week with The Washington Times, Chief Ramsey said officers assigned to protect the mayor must have clear instructions from superiors on how to do their jobs.

"We need to have SOP [standard operating procedures] in place to give directions to the police officers," Chief Ramsey said. "The officer should not have to make those decisions."

D.C. Council members are likely to ask Chief Ramsey what he will do about the situation during today's largely perfunctory confirmation hearing on his appointment as the city's fourth police chief since 1989.

Mr. Barry has said publicly he

INSIDE

Monday, April 20, 1998
Volume 17, Number 110, 5 Sections, 84 Pages

Sports

DISAPPOINTMENT — Wizards coach Bernie Bickerstaff says he is disappointed the team didn't control its own destiny in its failed bid for a playoff berth. B1

Metropolitan Times

CASE NOT CLOSED — Aaron Needie's suicide won't hurt the murder case against Samuel Sheinberg, his friend and a co-suspect. C3

Business / D1-28 Movies / C12-13
Classified / E3-8 Pentagon / A6
Comics / B14 Politics / A9
Commentary / A14 Pub's / A2
Daybook / A8 Sgt. Shift / A6
Editors' / A16 Television / C14-15
Lotteries / C3 Weather / A16
MetroTimes / C1-16 World / A11-13



ALEXANDER ARRIVES — Washington Redskins top draft pick Stephen Alexander is a tight end from Idaho.

Americas seek free trade, see need to improve lives

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — The leaders of the Western Hemisphere concluded the second Summit of the Americas yesterday by reaffirming their commitment to free trade but promising to give the hard edges of capitalism a human face.

The 34 nations, from the United States and its \$7 trillion economy to small Caribbean island states, as expected launched negotiations aimed at establishing a free-trade area stretching from the oil fields of Alaska to the tip of Patagonia by the year 2005.

But the summit seemed most notable for the concessions it made to critics' arguments that globalism and free trade alone are not the solution to the hemisphere's

own lives improved as a result of our participation in the global economy. President Clinton said in his closing address.

He and his colleagues also focused in their final communiques that while globalization is generally a good thing, "it can also be made to work better by addressing the differences among countries and within our societies."

The summit leaders announced steps to alleviate poverty, create jobs, increase popular participation in the political process and assist women and minorities.

Thomas F. "Mac" McLarty, Mr. Clinton's special envoy for the Americas, said in an interview the weekend that without these and other reforms, "you get some form of rugged capitalism."

In that spirit, steps taken at the summit included:

• Announcing commitments to

Americas seek free trade, see need to improve lives

By Warren P. Strobel
THE WASHINGTON TIMES

A1

SANTIAGO, Chile — The leaders of the Western Hemisphere concluded the second Summit of the Americas yesterday by reaffirming their commitment to free trade but promising to give the hard edges of capitalism a human face.

The 34 nations, from the United States and its \$7 trillion economy to small Caribbean island-states, as expected launched negotiations aimed at establishing a free-trade area stretching from the oil fields of Alaska to the tip of Patagonia by the year 2005.

But the summit seemed most notable for the concessions it made to critics' arguments that globalism and free trade alone are not the solution to the hemisphere's ills.

"We all admit that too many of our citizens have not seen their

own lives improved as a result of our participation in the global economy," President Clinton said in his closing address.

He and his colleagues declared in their final communique that while globalization is generally a good thing, "it can also heighten the differences among countries and within our societies."

The summit leaders announced steps to alleviate poverty, curb injustice, increase popular participation in the political process and assist women and minorities.

Thomas F. "Mack" McLarty, Mr. Clinton's special envoy for the Americas, said in an interview this weekend that without these and other reforms, "you get some form of rugged capitalism."

In that spirit, steps taken at the summit included:

- Announcements of new funding for education. The World Bank

see **TRADE**, page A10

From page A1

and the Inter-American Development Bank will each make \$3 billion in loans for education available over the next three years, and the U.S. Agency for International Development will pony up an additional \$130 million in grants.

- Pledges to improve labor standards. The three agencies will devote \$322 million to promote workers' rights.

- For the first time in any trade negotiation, the creation of a committee that allows outside groups, from organized labor to environmental organizations, to have a formal role in the talks.

Criticism that unlimited free trade pushes labor and environmental standards to the lowest common denominator, benefiting only elites and multinational corporations, was responsible for killing Mr. Clinton's proposal for "fast-track" trade negotiating authority. That would have allowed him to negotiate trade deals that Congress could approve or reject, but not amend.

Message received, the president seemed to be saying during his stay here.

"Those who want to protect and enhance the role of working people in the global economy, and those who remind us that we dare not

sacrifice our children's planet for present profits should be heard," he said in an speech Thursday to U.S. and Chilean business leaders.

The White House plans another attempt to get Congress to approve "fast track," although officials have not yet decided when. Nor does there seem much prospect that U.S. organized labor will back off its implacable opposition to the idea.

The first Summit of the Americas, which took place in Miami in

December 1994, was criticized for its overemphasis on trade issues. The United States and its colleagues did not want the same thing said about Santiago, Mr. McLarty said.

Another thrust of the two-day summit was to preserve the hemisphere's embrace of democracy. Cuba, which has the only non-elected leader in the region, was the sole nation not invited.

Cuba was the subject of some discussion in the closed morning

session. A senior U.S. official said Caribbean countries are considering some sort of initiative toward Cuba, perhaps inviting it to join the Caricom trade grouping.

"There is a country that is missing" from the summit, Brazilian President Fernando Henrique Cardoso said afterward, expressing the wish that Cuba will be able to come to the next summit in Canada. Mr. Cardoso was greeted with applause and slaps on the back after he spoke.

"No holdouts and no backsliders," is how Mr. Clinton described the region's attitude toward democracy.

To address the very real threats to democracy, the 34 nations agreed to:

- Appoint a special envoy to document threats and restrictions against the news media in the hemisphere.

- Establish a region-wide alliance against drugs.

- Take steps to combat corruption and strengthen judicial systems.

Other initiatives were aimed at helping women, small entrepreneurs, indigenous peoples and those without title to land.

"We have heard very often that the concerns of civic society have been left outside the scope of the summit. . . . This belief has no basis in reality," said Chilean President Eduardo Frei, the summit host.

The Washington Times

MONDAY, APRIL 20, 1998

U.S. denies ambitious role in Colombia

By John Otis
THE WASHINGTON TIMES

BOGOTA, Colombia — Analysts across South America are speculating that the United States will take a more active role against this country's leftist rebels and powerful drug cartels — and comparing Colombia's heavily jungled terrain to Vietnam.

The Clinton administration strongly denies having such plans, but a string of guerrilla military victories and the kidnapping last month of four American tourists by the rebels have focused new attention on the conflict.

Last month, the army suffered its worst defeat of the 34-year-old war when guerrillas routed an elite counterinsurgency battalion, killing 63 troops and kidnapping 43.

Such events "are alarming indicators of just how badly the situation has deteriorated," said Gen. Charles Wilhelm, chief of the Miami-based U.S. Southern Command, in testimony last month before the House International Relations Committee. He called Colombia "the most threatened country" in the hemisphere.

"The frightening possibilities of a 'narco-state' just three hours by plane from Miami can no longer be dismissed," said Rep. Benjamin A. Gilman, a New York Republican, who has traveled to Colombia.

Argentine newspapers and radio claimed last week that Gen. Wilhelm queried top military officers from Brazil, Venezuela and Argentina in February about the possibility of forming a multinational peacekeeping force for Colombia.

While there is no evidence such talks took place, Latin American analysts are already drawing parallels with the disastrous U.S. war in Vietnam.

Semana, Colombia's largest magazine, published a cover story last week titled "A New Vietnam?" In a reference to the popular Robin Williams film, the Buenos Aires newspaper Pagina 12 printed a banner headline: "Good Morning, Colombia!"

"No one is plotting a multinational force to go into Colombia," said an exasperated State Department official who spent last week

'Six bullet wounds to the head' kill human rights lawyer

BOGOTA, Colombia (Reuters) — Half a dozen bullets took the life of Colombia's top human rights lawyer, authorities said yesterday.

"It was six bullet wounds to the head," said Mario Hernandez, a pathologist who performed the autopsy on Eduardo Umana Mendoza, hours after his murder Saturday.

Mr. Hernandez, who works at the chief medical examiner's office in Bogota, declined further comment because the case remains under investigation. But he said there was no question that Mr. Umana, his brother-in-law, died instantly.

Mr. Umana, a crusading defender of Colombia's underclass whose clients included trade unionists, jailed guerrillas and families of the country's many

"disappeared," was killed at about 1:30 p.m. in his Bogota office. Police said the killers, two men and a woman, gained access to his office by saying they were television journalists who urgently needed to see him.

At National University, where Mr. Umana's flag-draped coffin lay in an auditorium with a mural of Ernesto "Che" Guevara over the main entrance, Mr. Umana's brother German confirmed that the killers bound and gagged his brother's secretary moments before they shot him dead.

Mr. Umana was the ninth human rights activist to be killed in Colombia over the past year and the second to be gunned down in Bogota in the past week alone.

There has been no claim of responsibility for the murder,

which prompted a public outcry, but it had all the hallmarks of one of the country's ultraright paramilitary groups, which have killed with impunity for years.

"I can only imagine that the extreme right was behind this," said Horacio Serpa, a former interior minister and the ruling Liberal Party's candidate for president in elections next month.

Mr. Umana's many clients included prominent leftists and leaders of the state oil workers union who were jailed in December 1996 on terrorism charges stemming from sabotage attacks against a major crude-oil export pipeline. The union, known as USO, has vowed to stage a national work stoppage today to protest the killing.

denying such reports. "We don't believe the guerrillas are on the verge of taking over."

A diplomatic source in Bogota insisted "there is no stomach in Washington" for a major anti-guerrilla campaign.

"We are not asking for, nor would we accept, foreign military aid to fight the armed insurgency. We desire international participation to make peace, not to widen the war," added Colombian President Ernesto Samper.

Still, annual U.S. military aid to Colombia has quadrupled in the past three years to \$100 million, nearly all of which will go to the National Police for anti-narcotics operations, and that figure is likely to increase in the coming years.

About 200 U.S. trainers rotate through Colombia to operate two radar stations that track suspected drug flights and to perform other duties, while U.S. pilots conduct dangerous low-level flights to fumigate coca fields and opium poppies.

Colombia, meanwhile, is pressing Washington for the purchase of sophisticated Black Hawk and Cobra attack helicopters that would

provide cover for soldiers fighting drug traffickers and guerrillas.

When he arrived in Bogota last month, U.S. Ambassador Curtis Kamman said the U.S. government wants "to strengthen the Colombian armed forces in every way." But he added: "We don't have the authorization to enter a campaign against the rebels."

Some analysts say it is impossible to separate the war on drugs from the war on the guerrillas. The cocaine traffickers finance the rebels, who in turn protect the traffickers and the farmers who grow coca plants. Combat in these areas is frequent.

"The bottom line is that the kind of assistance and training [the United States] is providing is just as applicable for counterinsurgency operations," said Coletta Youngers, a senior associate at the Washington Office on Latin America, a human rights group. "It is a highly militarized policy."

The diplomatic source acknowledged that, once in the battle zones, the line between fighting narcotraffickers and rebels is often blurred. "If you get shot at, you

don't start asking 'Is this a guerrilla or is this a full-fledged narco?'" before returning fire, he said.

The Rebel Armed Forces of Colombia, or FARC, the largest guerrilla group, which numbers about 10,000, has warned Washington to stay out of the war and has announced that it will target U.S. military personnel in Colombia.

One of the biggest obstacles to a larger U.S. role is the Colombian army, which has the worst record for human rights abuses among Latin American militaries.

U.S. aid to the army has dried up in recent years, although about \$20 million in helicopter spare parts and communications gear was approved last month for two newly formed units that are not implicated in abuses.

"Clearly there is a heightened interest and concern... but I don't see any quick move to support the Colombian army," said Robin Kirk of Human Rights Watch/Americas. "Even the Republicans are convinced that the army is bad news.... There is still a deep level of mistrust."

The Washington Times

MONDAY, APRIL 20, 1998

Summit shows major changes in U.S. relations with Latin America By Laurie Goering Chicago Tribune (KRT)

SANTIAGO, Chile When the leaders of this hemisphere's democracies met for the first Summit of the Americas in Miami four years ago, the United States undoubtedly was the 900-pound gorilla of hemispheric politics.

In an atmosphere of significant distrust, U.S. officials attempted to win their Latin American neighbors over to tougher anti-drug policies, greater protection of human rights and the environment and a free-trade area that many nations feared could swamp their economies with cheap U.S. imports.

Sunday, as the second Summit of the Americas drew to a close in Santiago, it was abundantly clear that U.S. relations with Latin America have undergone a revolution.

Nations of the region unanimously agreed Sunday to begin negotiations by June to establish a Free Trade Area of the Americas by 2005, a pact that might in the long run do little more than formalize already explosive growth in trade throughout much of the region.

Latin American leaders, angered by heavy-handed U.S. anti-drug efforts at the previous summit, this weekend eagerly launched a new multilateral counterdrug alliance, calling drugs one of the greatest threats facing their countries.

They also agreed to work together to protect the region's threatened democracies from Colombia to Paraguay, to protect freedom of the press and to battle corruption.

Whether the stacks of new agreements signed Saturday and Sunday will add up to real changes in the region remains a question. But what is clear is that efforts by President Clinton to portray the United States as an equal partner with Latin America, rather than a stick-wielding big brother, are easing tensions and bringing new cooperative rewards.

"Here, unlike in Miami, we meet without one country superimposed above the rest of us," said Chilean Foreign Minister Jose Miguel Insulza. "We're on a more level playing field."

In the negotiating rooms of the summit, that has added up to a noticeable drop in anti-American sentiment and some of the most candid discussions in the region's history on everything from free trade to fears about the fragility of democracy, diplomats say.

"There was a very notable degree of frankness," Insulza said. "Once we got into the room, many of the fears dissipated."

Clearly the United States remains the hemisphere's dominant giant, its \$7 trillion economy representing more than three-quarters of the region's overall economy.

Choosing not to emphasize that disparity, however, and to emphasize equal partnership is beginning to get the United States past an unfortunate history with the region in which "consultation and partnership were not exactly the watchword of our relationship," said Sandy Berger, Clinton's national security adviser.

The most notable of the deals reached over the weekend in Santiago was an agreement to begin formal negotiations on creation of a free-trade area from Alaska to Patagonia by 2005 and to make hard progress toward that goal by the year 2000.

Brazil and a handful of other nations continue to drag their feet on efforts to speed implementation of the deal, and the United States has been pushed out of a leadership position by Clinton's failure to win key fast-track negotiating authority from Congress.

But summit leaders, who four years ago largely saw the Free Trade Area of the Americas as a U.S. demand, now uniformly embrace the project as a regional goal.

Clinton administration officials said the president will continue to battle to win fast-track, though they acknowledged that the free-trade area may now be created not by the United States expanding NAFTA but through negotiations with regional trade pacts like Mercosur, which have seen explosive growth since the 1994 Miami summit.

Summit leaders also agreed to launch a so-called multilateral counterdrug alliance, a proposal created largely through the efforts of the U.S. drug czar, Gen. Barry McCaffrey, to promote and coordinate efforts to cut the production and distribution of illegal drugs in the hemisphere.

In a region that has chafed under the current U.S. policy of decertifying as full partners countries such as Colombia that fail to do enough to stem the flow of drugs, the new alliance may one day become a more cooperative alternative.

While calling certification a "blunt instrument," Mack McLarty, Clinton's special envoy for the Americas, emphasized that the new drug alliance, which will be created under the Organization of American States, is intended as a supplement to the U.S. certification process, not a replacement.

They "have clearly the same goal," and while the Clinton administration has in the past made efforts to eliminate the certification process, "we'll continue to enforce it," McLarty said.

Seeking greater consultation with allies on drug issues, particularly in the region where more and more countries now recognize drugs as a serious regional problem, may win the United States new cooperation on issues such as extradition of drug traffickers, he said.

The new plan "has humanized the U.S. image on drugs in the region," said Eduardo Gamarra, head of the Latin American-Caribbean Center at Florida International University.

The problem with the alliance, as Illinois Republican Rep. Dennis Hastert and other certification supporters at the summit in Santiago noted, is that it may lack even the limited bite of decertification, which would include the loss of certain forms of U.S. aid.

Without that, "the alliance, while welcome, cannot become a substitute for certification," Hastert and fellow Republican congressmen wrote in a summit report.

Other agreements at the Santiago summit include:

- Endorsement of the creation of a special rapporteur, or ombudsman, within the Inter-American Human Rights Commission of the OAS to promote and protect freedom of expression in the region. Over the past decade, as investigative journalism has resurged after decades of dictatorship, 120 journalists have been killed in Latin America and hundreds of others threatened and harassed.

- Creation of a regional center to train judges and prosecutors "so there is better capacity around the hemisphere to ensure justice is fair and honest," Berger said.

- Agreement to expand regional crackdowns on corruption, through adoption of rules of conduct for public officials and laws requiring open disclosure of their assets.

- Where summit leaders failed to find any significant agreement was on Cuba and migration, two hot regional issues. At a discussion on democracy Owen Arthur, the prime minister of Barbados, called for Santiago to be the last summit to exclude Cuba, the only non-democracy in the region. Canadian Prime Minister Jean Chretien also announced a coming visit to Cuba, a move that clearly disappointed Clinton officials.

- The nations, divided between migrant producers and countries increasingly swamped with migrants, also failed to reach any consensus on policies to regulate migration.

False claims of sexual harassment drawing scrutiny By Judy Peres Chicago Tribune (KRT)

CHICAGO Ted Johnson, an Amtrak supervisor from Country Club Hills, Ill., was attempting to discipline a subordinate when he found himself in a shouting match with the worker and the worker's girlfriend. Five days later, the girlfriend filed a complaint of sexual harassment against him. The charge was dropped after a brief investigation, Johnson says, but he was fired for breach of the company's employee conduct guidelines. He was out of work for 22 months.

Jim, who asked that his last name not be used, was a sales executive whose assistant had started spending too much time on personal phone calls and too little taking care of business. After a number of warnings, she was fired. The next day, he says, she returned to the office brandishing a copy of a sexual harassment claim she had filed with the Illinois Department of Human Rights.

Although Jim ultimately was vindicated the assistant had admitted to co-workers the charges against him were unfounded the cloud of suspicion has never lifted. He was humiliated in front of his wife and children, he has been the butt of continuing jokes, and his relationship with his boss has never been the same. He now is switching jobs, moving to an industry where no one knows him.

These Chicago-area men are two examples of what some attorneys say is an unwelcome side effect of the growing awareness of sexual harassment in the workplace. As the nation continues to watch the machinations of Paula Jones' sexual harassment claims against President Clinton, in the low-profile working world, employment lawyers are seeing men falsely accused of sexual harassment and left with virtually no remedy for the financial loss, social stigma and emotional distress they suffer.

Most experts believe the incidence of totally fabricated charges of sexual harassment is very small certainly far smaller than the number of legitimate complaints. And no one is suggesting the laws should be changed to make it harder for victims of harassment to seek relief. But a number of attorneys who represent workers as well as management believe some employers may be overreacting to complaints of sexual harassment.

Peter Hakim, president of the Interamerican Dialogue in Washington.

Hakim said that some of the touted "new priorities" represented a mere change in semantics. "These are basically things that the banks have been doing all along," he maintained. "Before, the World Bank would give a loan to build schools and call it infrastructure. Now they'll call it education."

Hakim also noted that the United States is only contributing \$1.2 billion to the funds, complaining, "that's what the U.S. used to give in aid over three months, and now it's for three years."

Others have criticized what they call a certain ambiguity in the renewed U.S. calls for Latin America to spend more on social programs. Clinton's summit appearance, for instance, was preceded by a two-day state meeting with Chile's President Eduardo Frei, in which Clinton tried to persuade Frei to purchase what could amount to \$400 million in U.S. fighter planes.

But as Costa Rican President Oscar Arias said last fall, "What the children of Latin America want and need are schools and health clinics, not F-16s."

To be sure, the summit process has achieved some benefits.

In one narrow triumph, 12 countries in the hemisphere have eliminated lead from their gasolines since the first meeting in Miami, and 20 will have done so by 2001.

As Clinton noted Saturday, the summit process also has helped encourage hemispheric cooperation in eradicating measles, which he said has dropped from more than 23,000 cases in 1994 to less than 500 so far this year.

On a broader level, many summit attendees agree the process has eased communication among chiefs of state and their ministers, greatly smoothing out historic antagonisms.

That in itself has made it easy to agree on yet one more narrow goal, announced Sunday to meet again, in Canada, at a date to be announced.

Dissident's release not a sign of improvement in China's political environment By Jennifer Lin Knight Ridder Newspapers (KRT)

BEIJING Wang Dan, imprisoned after the 1989 Tiananmen Square protests, flew to exile in the United States Sunday, but human rights monitors say his release is not a sign of dramatic improvement in China's political environment.

Still, the Clinton administration welcomed news of Wang's release, the timing of which was no coincidence. His release for medical treatment was seen as a goodwill gesture to President Clinton as he prepares to visit here in late June. The administration has been hinting for weeks that China soon would release its number-one political prisoner. Clinton's trip effectively will end nine years of estrangement that began after the bloody military crackdown of student protesters in 1989.

To justify the trip as well as Clinton's handling of China policy, U.S. officials have desperately tried to promote the perception that China's respect for human rights is improving. As evidence, they point to China's recent pledge to sign the United Nations Covenant on Civil and Political Rights, and to the release of high-profile prisoners such as Wang.

Wang's release is the second time in six months that China has released a prominent dissident from jail.

Last November, China sent Wei Jingsheng, another well-known political prisoner, into exile in the United States for medical help after a successful U.S.-Sino summit in Washington.

Human rights monitors say that while Wang's release is good news, China must do much more to respect human rights.

"This is a good thing for Wang Dan and we welcome his release, but we'd like to see something that addresses the systemic problems and this isn't it," said Sophia Woodman, research director for Human Rights in China.

"We're always hoping and asking for the release of all the political prisoners and some kind of effort to really change the system that puts people like Wang Dan in prison in the first place," she said.

The Chinese government admits to having 2,000 political prisoners, but human rights observers think the number is significantly higher. Wang was jailed twice: He served for 3 years after the Tiananmen Square crackdown, and was sentenced for another 11 years in 1995 for "plotting against the government."

"The sad side of this is he's being expelled, but there are 1,999 dissidents who remain in jail," said a Western diplomat.

The diplomat said that China understands how to orchestrate the release of high-profile dissidents to win political favor abroad.

"The big question now is whether it is easier for Chinese people to make their opinions known," the diplomat said. "You can, but you

have to do it within certain limits. As soon as you criticize the regime or call for its replacement or something different, you're subject to harassment."

Even Wang Dan's mother cautioned about viewing her son's release as

a sign that the atmosphere for dissent was loosening up.

"These are two different things," said Wang Lingyun in a telephone interview. "One is about Wang Dan himself. But it doesn't mean that the atmosphere of the whole country is relaxing. That's a totally different matter."

A former history student at the prestigious Beijing University, Wang helped lead democracy protesters in Tiananmen Square in the spring of 1989. The quiet, intense Wang was one of the more intellectual student activists who organized political "salons" on campus.

During the protests, tens of thousands of students and ordinary workers occupied the square for several weeks, demanding greater freedoms and democracy. The government sent tanks and battalions of soldiers to break up the protesters in a hail of machine-gun fire that left hundreds, if not thousands, dead.

Accused of being a ringleader, Wang was named to the country's most-wanted list. He was imprisoned and given an early release in February 1993. He resumed a low-profile campaign for human rights and political reform, but was sentenced again in 1995 for 11 years.

His mother worked tirelessly for his release. Once a month, she and her husband made a 10-hour train trip to a remote prison in Liaoning province in northeast China to see their only son. She worried about his health, as he suffered chronic headaches, sore throats and coughing.

Friday afternoon, when contacted at home by telephone, Wang Lingyun was not hopeful about her son's release, despite the rumors.

But late Saturday afternoon, Wang Lingyun got a surprise call from police. They told her Wang Dan would be taking the first flight to the United States the next day.

Police drove her to Liaoning to pick up her son.

"I didn't expect it to happen so quickly," she said. "It's hard to believe."

She said his release is only a medical parole and if he returns to China, he will have to return to jail. Her son told her that after he recuperates, he would like to go back to school.

"I'm glad he'll be able to see doctors in America," his mother said. "But I don't know when he'll be able to come back. He'll be so far away from me. I feel a bit sad about it."

Early Sunday, the family said their goodbyes in an airport reception room. Wang Dan's sister came with her 8-year-old son, who was especially close to his uncle.

From his prison cell, Wang Dan had promised his nephew that he would buy him a big box of chocolates as soon as he got home.

The boy used to tell him it wasn't necessary, that just seeing him again would be enough of a gift.

The boy got his wish at the bittersweet reunion at the Beijing airport, hours before Wang Dan boarded a Northwest Airlines flight bound for Detroit.

As Wang left the waiting room, his nephew, Chen Tianlin, turned to him and asked, "Uncle, can't you take me with you?"

President Clinton Visits Chile By David LaGesse, The Dallas Morning News Knight Ridder/Tribune Business News

VALPARAISO, Chile—Apr. 18—President Clinton stood in the middle of Chile's ultra-modern congressional building Friday and lauded the return of democracy here as a tribute to a "people who love freedom."

"No one loves freedom more than those who have had it and then lost it," he said.

Coming on the eve of a hemispheric summit that opens Saturday in Chile, Mr. Clinton used the speech to urge social reforms to buttress nascent Latin American democracies. The region's 34 democratic leaders plan to launch a number of multilateral initiatives, such as education and drug-fighting programs.

Without spreading the benefits of growing economies, factions could grow impatient and threaten fragile Latin America governments, Mr. Clinton said.

"Having resolved to protect democracy, we must now do much, much more to perfect democracy," he said.

Chile again provided an appropriate backdrop for his point — as military officers stood behind Mr. Clinton and Chilean legislative leaders during an hourlong ceremony.

The country's former military dictator, Gen. Augusto Pinochet, did

revolution in the last few years, a revolution of peace and freedom and prosperity," Clinton said at the concluding ceremony. "We embrace our responsibility to make these historic forces lift the lives of all of our people."

Chilean president Eduardo Frei said, "This dialogue is aimed at the creation of an authentic community of nations. ... A community of nations, arising out of the diverse identities within it, is a wager on the future, a collective dream striving to become reality."

The centerpiece of that wager is the proposed trade pact, which Frei said would be "the largest free trade area in history."

The 34 leaders from North America and South America signed a joint statement summing up their agreements and hopes for the future, which include another summit in Canada in a few years.

"We are confident that the Free Trade Area of the Americas will improve the well-being of all of our people, including economically disadvantaged populations within our respective countries," the leaders said in a joint statement after two days of friendly meetings here in the shadow of the Andes.

Their optimistic launch of trade talks capped two days of talks in which they celebrated the dramatic rise of democracy and booming free market economies through the Western Hemisphere.

They promised to shore up those sometimes fragile democracies taking hold in every nation except Cuba by boosting education, improving health care, fighting corruption, encouraging better treatment of working people, making it easier for the poor to own land, expanding immunizations and improving the quality of drinking water.

They also launched a regional Alliance Against Drugs that will allow the United States to work more cooperatively with other countries to evaluate one another's anti-drug efforts. But the United States will continue to act by itself to certify foreign drug efforts as required by law.

Turning to trade in their final closed-door session Sunday, the leaders set up nine negotiating groups to start work on the free trade pact. The groups, negotiating issues like access to markets and intellectual property rights, will meet in Miami for the first three years, then Panama, then Mexico.

They could start meeting as early as June, with a goal of making solid progress by 2000, and a full agreement by 2005.

At the same time, the countries agreed to work together in other areas, including:

Labor. They promised to work to promote basic labor standards recognized by the International Labor Organization. International banks will provide \$307 million over three years, and the U.S. will contribute \$15 million, to help that effort and to modernize labor ministries;

Infrastructure. The Inter-American Development Bank will set standards to ensure fair competition among international contractors vying for contracts to build new roads, bridges and ports throughout the hemisphere;

Energy and environment. The countries will work to integrate energy markets and encourage movement to cleaner energy systems that will alleviate global climate change;

Corruption. They agreed to work on ways to fight corruption and bribery in business transactions.

Mindful of the need to build support at home for international trade, Clinton aides noted the benefits for the U.S. economy. They said exports make up a third of U.S. economic growth, that exports to the Western Hemisphere grew by \$42 billion last year, and that exports to Latin America and Caribbean in the second half of last year exceeded those to the European Union countries.

Clinton and others pushed social reforms as necessary to shore up popular support for still-fragile democracies and free markets that only recently replaced dictatorships.

Chile, for instance, instituted democracy only in 1990, after 17 years of dictatorship. And while its newly energized free market economy and social reforms have cut the poverty rate from a staggering 44 percent, it still remains at 24 percent.

"We will redouble our efforts to continue reforms designed to improve the living conditions of the peoples of the Americas and to achieve a mutually supportive community," the 34 leaders said in the joint statement.

They denounced barriers to women entering politics "they" being 33 male chiefs of state plus a lone female president from tiny Guyana.

And they paid passing tribute to preserving the environment, while meeting in one of the most polluted cities in the world.

The two-day Summit of the Americas that ended here Sunday brought U.S. President Bill Clinton together with 33 other national leaders from throughout the hemisphere in a virtual fiesta of promises.

By the end of the weekend, they had vowed to work harder in combating drugs, improving education and promoting democracy and economic reform.

Yet the meeting was dogged by grave doubts about how many commitments can be kept chief among them the goal of a hemispheric free-trade zone by 2005.

~~It seems~~ in other words, for a reality check.

~~At the three~~ hemispheric reunions that have taken place so far, Miami in 1994, Santa Cruz, Bolivia, in 1996 and Chile this past weekend, delegates have pledged to pursue a grand total of 375 "action initiatives," according to Robin Rosenberg, co-director of the Leadership Council for Inter-American Summitry in Miami.

The agenda includes such narrow goals as improving property registration and such broad, vague visions as promoting the rights of migrants.

"It's much too ambitious, and the hemisphere doesn't have the capacity to deliver," Rosenberg said. "There are just too many initiatives and too few clear targets, timetables or resources."

The centerpiece of the process, a Free Trade Area of the Americas by 2005, seems as dicey as the rest. Latin American leaders doubt the U.S. commitment to pursue it, since Clinton still faces fierce opposition from labor and environmental groups at home.

Labor leaders worry that freer trade could further depress stagnant U.S. wages and induce U.S. companies to flee the country in search of a cheaper workforce. Environmental activists doubt any agreement's capacity to promote protection of forests, rivers and oceans in nations where neglect of natural resources has been rampant.

In opening remarks to the summit Saturday, Clinton assured his colleagues of his interest in pursuing regional free trade, since more than 40 percent of U.S. exports already go to neighbors within the hemisphere.

And indeed on Sunday, the summit delegates pledged to start negotiations for the Free Trade Area of the Americas within the next two months.

Yet diplomats throughout the hemisphere say there'll be no real momentum for the trade talks as long as Clinton can't persuade the U.S. Congress to grant him "fast-track" authority. That means that whatever treaty would be reached could be submitted for a simple yes or no vote, rather than loaded down with amendments.

Nor is opposition limited to the U.S. Congress. Latin America's top-ranking economic powerhouse, Brazil, now facing its highest unemployment rate in 14 years, deeply fears what unrestricted commerce with the highly competitive north might do to its economy.

Helio Jaguaribe, a prominent and well-connected Brazilian political scientist, says Brazil may be ready for free trade with the United States in "20 to 30 years" rather than seven, although he added that government officials wouldn't publicly admit that.

"Free trade without any customs protection would destroy South American industry," Jaguaribe said earlier this month. "The year 2005 is too soon. We'd be condemned to produce raw materials and semi-manufactured goods and lose our capacity to develop a high-technology industrial system."

As free-trade momentum has waned, the agenda of the periodic summits has broadened, encompassing ambitious goals to improve education and democratic institutions, ease regional economic integration and reduce poverty. But that has brought up the nagging question of who might pay to pursue those longtime dreams.

U.S. officials attempted an answer on Saturday, releasing a chart that they said showed nearly \$45.6 billion might be available over the next three years for the four broad goals, mostly in the form of low-interest loans from multilateral banks. On Saturday, Thomas McLarty, Clinton's special adviser on Latin America, said the available loans "will be a substantial increase in funding," representing a doubling of resources from the Interamerican Development Bank and at least a 50 percent increase from the World Bank.

Education Secretary Richard Riley clarified that most of those funds "are not necessarily new money" but do reflect an important shift of priorities by the banks.

Yet critics said even that was an exaggeration.

"The United States wants to show that there's money for all these things, but there's less of a shifting of resources than it appears," said

Summit showcases conflict between intent and actual events By Katherine Ellison Knight Ridder Newspapers (KRT)

SANTIAGO, Chile They called it the "education summit" and canceled school throughout the city on its eve, to ease traffic for visiting dignitaries.

not attend the speech. He called in sick, to the relief of some event organizers who view Mr. Pinochet's lifetime seat in Congress as an awkward reminder of his brutal regime.

Mr. Clinton noted that Chile was chosen to host this weekend's summit in Santiago because of its model economic success, coupled with

a peaceful transition to elected government.

"Now there must be a second generation of reform beyond free elections and free markets."

That he came to Valparaiso to meet Chile's Congress, while most of the government remains in Santiago, is a vestige of the Pinochet years. The general ordered the legislature moved away from his seat of power when he somewhat reluctantly allowed it to reopen in 1990.

It's only one of many echoes of the junta years in Latin America that leave its citizens nervous about the future.

Mr. Pinochet remains active in politics, which he entered in a bloody 1973 coup that overthrew an elected socialist government. The deposed president, Salvador Allende, died in the takeover.

Even today, conservatives say Mr. Pinochet saved the country from communism and spurred its ongoing economic miracle. His government abandoned traditional policies of state-owned enterprise protected from foreign competition by high tariffs.

Leftists view Mr. Pinochet as a murderer for the estimated 3,000 who died at the hands of the 17-year military regime. They say Chile paid too high a price for its rapid economic growth, which has grown an average of nearly 7 percent since the early 1980s.

Even today, some Chileans say the government remains authoritarian. It is quick to disperse unauthorized protests, including scores of students at an anti-American demonstration on a Santiago college campus Thursday.

"In Chile, we don't have a real democracy. It is one that is overly protected by the military," said Dr. Tomas Moulian, a professor who teaches at the college.

Though Mr. Pinochet stepped down this year as Chile's top Army officer, the military retains vast influence over the country's politics. The constitution written during the general's rule allows the military to fill nine of 48 seats in the nation's Senate, where former presidents -- including Mr. Pinochet -- take a seat for life.

The military also gets a portion of income from Chile's state-owned copper company, making it one of the best-equipped armies in Latin America.

The fragility of democracy in Chile became clear in 1995, when a former top aide to Mr. Pinochet nearly provoked a showdown between the military and the civilian government. Courts had found Gen. Manuel Contreras, who headed the dictator's secret police, guilty of ordering the 1976 car-bomb killing of a former Chilean diplomat in Washington, D.C.

Mr. Contreras, however, for a while refused to surrender with the help of Army units.

Mr. Pinochet acknowledged that the Army helped Mr. Contreras. "We can't allow a general of the republic to be ridiculed."

The accused man, however, eventually relented and is serving a prison term.

The violence and authoritarian junta has changed the country, where many community organizations flourished before the coup, some Chileans say.

Residents emerged from the dictatorship timid and hesitant to organize themselves, a local politician told Mr. Clinton on Friday.

The president had stopped in a small village on his way back to Santiago. "There was a lot of fear," said Filiberto Nuez, who described himself as a community organizer.

But he ended on a hopeful note. "After time, that fear went away."

Leaders at hemisphere summit take steps on trade, social issues By David LaGesse The Dallas Morning News (KRT)

SANTIAGO, Chile Leaders of 34 Western Hemisphere democracies united behind a plan Sunday to reduce poverty and to link their countries under common trade rules.

In closing their second summit in four years, the leaders produced a 34-page plan to reform education, to strengthen democracy against threats such as drug trafficking, and to promote human rights.

They also launched formal talks toward a hemisphere-wide trade zone, an idea that dominated a 1994 summit in Miami.

Leaders said this summit's expanded social agenda partly reflected their concern that democracy and trade have not benefited enough people.

Diminished public enthusiasm, particularly in the United States, for removing trade barriers already has hampered new agreements.

Leaders also worry that disillusioned factions could threaten fragile governments.

"In our first summit, in 1994, we agreed on a common vision," President Clinton said at the closing ceremony. "Still, for all of our progress ... too many of our citizens have not yet seen their own lives improve."

The leaders chose Canada to host the next summit, perhaps in the year 2000.

The friendly tenor of the gathering was tempered by tension over some issues, including arms sales in the region and the exclusion of Cuba from the summit. The United States and other countries opposed including Cuba because it has not joined the rest of the hemisphere in conducting free elections.

In his closing remarks, Brazil President Fernando Henrique Cardoso challenged the United States' stand on Cuba, saying all the region's nations should be included.

"There is a country that is missing," he said. "Why should we not do something to encourage democracy there?"

And Canadian Prime Minister Jean Chretien, who will visit Cuba later this month, told reporters he hoped Cuba could attend the summit he will host. But he said that was unlikely.

"The consensus is not there" for Cuba to attend, Chretien said.

In his speech at the closing ceremony, held in an elegant room at Chile's former congressional building, Chretien said unity among the 34 nations had solidified since Miami. "Instead of just a passive fact of geography, it is becoming an active state of mind," he said.

Analysts applauded the summit's work, but the breadth of the agreement fueled doubts about the ability of leaders to fulfill their commitments.

The action plan "is a kitchen sink of many more initiatives than the inter-American system can seriously tackle," said a statement co-signed by Richard Feinberg, a former White House official who helped organize the Miami summit.

The leaders also made many commitments without any structure to oversee implementation, said Peter Hakim, head of the Inter-American Dialogue. "There's nobody watching to make sure many of these things get done," he said.

Still, U.S. officials said they were heartened by the growing sense of cooperation.

The 1994 summit largely arose from an American desire for a regional trade agreement, which would reduce tariffs and other barriers to commerce, U.S. Trade Representative Charlene Barshefsky told reporters.

That has changed, she said, as other countries at the summit said they openly embrace "a shared and common, concrete agenda."

Analysts say trade remains the driving force behind hemispheric cooperation. The failure of the Clinton administration to win congressional authority to negotiate new pacts disappointed many Latin American leaders, but they agreed to proceed anyway with trade talks. Negotiators assume the United States can resolve its trade-related differences over labor and environmental issues before an agreement is ready for signing.

Leaders at the summit included labor reforms and environmental protections in their action plan.

U.S. officials, meanwhile, hope to regain trade momentum with a series of narrow agreements. They say Chile, which long held out for a broad trade treaty with the United States, has agreed to pursue smaller pacts, such as on customs issues.

Talks toward a regional agreement will begin later this year, starting with three years of Canadian-led talks in Miami. During the last two years leading up to an agreement by 2005, the talks will be run by Brazil and the United States, the hemisphere's two largest economies.

Although trade remained the top priority, the Chile summit expanded to include social issues at the pushing of Latin American countries.

"We are not just talking tariffs and rates, we are talking topics that take us to the heart of the concerns of our people," said Cardoso of Brazil.

Despite rapid economic growth in the past decade, the gap between the hemisphere's wealthy and poor has widened. Leaders here agreed that poverty and lack of opportunity "nurture reactionary and despotic forces" that threaten democracy, Chretien said.

The countries agreed to \$45 billion in loans and grants for social-related causes, such as giving local communities more control over schools. Many Latin American countries now administer primary and secondary schools from their capitals, unlike the U.S. system of community school boards and taxes.

It was unclear, however, how much of the spending was new, as it included aid already planned by development banks and the wealthier

countries.

The new counter-drug agreement remained sketchy, as well. The countries agreed to evaluate each other's anti-trafficking programs to encourage better performance, but they did not decide on a process and criteria.

The counter-drug pact nonetheless holds tremendous political and practical implications, Mexico President Ernesto Zedillo told reporters. For one thing, the agreement should reduce finger-pointing between countries that produce or consume drugs, he said.

"It underscored the concept of co-responsibility," said the Mexican president.

Mexico, like many countries beset by drug-related problems, bitterly objects to the unilateral evaluations now conducted by the United States.

The countries want the drug alliance operating soon, said U.S. drug czar Barry McCaffrey, a key architect of the concept.

"I think that is the test," he said. "By the next summit, we have to have this up and running."

Host country Chile helped spark debate about regional arms sales at Sunday's sessions. Chile's plan to buy modern arms, including advanced fighter jets, has raised fears of a new weapons race in South America.

"There was some lively discussion of defense modernization," National Security Adviser Samuel F. Berger told reporters.

The countries agreed at the summit to disclose all arms purchases, a change for a region traditionally secretive and suspicious of each other's militaries.

"The key point was openness and transparency," Berger said.

Overall, U.S. officials said they were upbeat at the change in tenor from Miami. Organizers of that meeting say they had to push many countries to participate in what was seen by many as a U.S. agenda.

This time, "the level of discussion and interchange reflected a much more mature, a much more confident relationship with the United States," said Thomas F. "Mac" McLarty, the U.S. special envoy to the Americas.

Federal Regulators Announce Sweeping Review of Railroad Regulations By Edward Dufner, The Dallas Morning News Knight Ridder/Tribune Business News

Apr. 19--Heeding complaints from shippers, federal officials announced a sweeping review of railroad regulations Friday that could reshape the way carriers and their customers do business.

The Surface Transportation Board pledged a "careful, measured approach" in its review, which flows from an unprecedented two-day hearing on rail competition issues earlier this month.

Cautioning that it could not assent to the "more drastic measures" proposed by shippers, the board nevertheless agreed that their complaints of railroad bullying deserved scrutiny.

"No rail-dependent shippers or shipper groups participated to express satisfaction with the present state of rail service," the board said in its order. "The board cannot ignore the pleas of those many shippers that are concerned with the present state of affairs."

The Surface Transportation Board directed railroads and shippers to meet and devise their own suggested remedies. It also said it would review some rules on its own and report to Congress on "other possible actions."

Reaction to the order ranged from a no-comment from the Association of American Railroads to a mixture of praise and irritation from shippers and their allies. This camp praised the board's acknowledgment of shippers' grievances but criticized the agency as acting far too late.

In its order, the board itself declared, "We are at a regulatory crossroads."

A board official said the areas under study had been examined singly, but never before in such a broad, coordinated fashion. "This document contemplates an extensive review of various aspects of railroad regulation," said the official, who spoke on condition of anonymity.

Months of gridlock on Union Pacific Railroad have heightened the profile of rail issues and helped prompt Sen. Kay Bailey Hutchison of Texas and John McCain of Arizona to urge the transportation board to look into competition in the first place.

The areas addressed in Friday's order are highly technical in essence, the rules of engagement for resolving railroad-shipper disputes in a deregulated industry.

And even though that action occurs far upstream from American consumers, the board's deliberations have been watched intently by railroads, shippers, politicians, investment analysts and economists

because of rail traffic's vital role in the U.S. economy. Despite truck competition, railroads still carry the largest single share, about 40 percent, of all U.S. intercity freight.

At the hearing in early April, shippers asserted that 18 years of deregulation had shrunk the industry to just a handful of mega-carriers as many as nine or as few as four, depending on who's counting and left customers at a huge disadvantage.

Railroad executives shot back that any federal tinkering could send their industry back to the dark, financially troubled years before passage of the Staggers Rail Act of 1980, when perhaps one-fourth of the big carriers were under bankruptcy protection.

Stimulating a desire for private-sector solutions, the board said Friday that it wanted railroads, short-line carriers and shippers to share ideas among themselves. But it specified what it wanted addressed, gave deadlines and said some of the meetings would be conducted with an administrative law judge.

The board ordered:

A review of the accounting procedures used to gauge a railroad's fiscal health. Those measurements, in turn, determine whether certain federal regulations might apply to that carrier in railroad-shipper disputes before the board.

A review of two other regulatory standards now used to determine whether there is adequate rail competition.

A progress report by May 11 on ongoing discussions by big and small railroads, a response to the short-lines' allegations that their ability to serve more customers is often pinched by their large brethren.

Another progress report by May 11 on how railroads are "establishing formalized dialogue with shipper groups" and with railroad employees.

Railroads have expressed fears that a regulatory review could lead to what they consider reregulation. A spokesman for the railroad association said the Washington-based trade group was still examining the transportation board order and would have no comment Friday. Privately, railroad officials have grumbled that shippers are using the Union Pacific service disruptions as a political club to bludgeon concessions out of the rest of the industry.

Spokesmen for Union Pacific, a unit of Dallas-based Union Pacific Corp., and Fort Worth-based Burlington Northern Santa Fe Railway, the two largest railroads in the American West, deferred any comment to the railroad association.

Shipper groups were more vocal.

Diane C. Duff, executive director of the Alliance for Rail Competition, welcomed the board's recognition of shippers' woes but faulted the rule-making process outlined in the order. "Too long, too drawn out, and there's no end in sight."

"Bizarre," said Charles R. Matthews, chairman of the Texas Railroad Commission, asking how the board could square its picture of overly powerful big railroads with its directive to have railroads and shippers negotiate their differences.

Chinese dissident arrives in U.S. By Gregg Jones The Dallas Morning News (KRT)

BANGKOK, Thailand Wang Dan, China's most prominent dissident, arrived in Detroit Sunday after his release from a Chinese prison.

Wang's release and exile were secretly negotiated by the Clinton administration, human rights activists said.

His freedom comes two months before President Clinton is scheduled to become the first U.S. president to visit China since the 1989 massacre of pro-democracy activists in Beijing's Tiananmen Square protests that Wang, 29, helped lead.

Democracy activists and international human rights organizations welcomed the release of Wang, who was serving an 11-year sentence for plotting against the government. But they said China's decision, like the November release of dissident Wei Jingsheng, did not signify any change of heart by China's communist leaders when it comes to respect for human rights and political dissent.

China still holds more than 2,000 political prisoners and has continued to deal harshly with dissidents and labor activists in the five months since Wei was sent into exile, human rights organizations said.

"This is a welcome gesture by the Chinese government, but I would have preferred that the conditions for Wang Dan's release would not require him to leave the country," said Mike Jendrzeczyk, the Washington director of Human Rights Watch, an international watchdog group.

"Wang Dan was one of the most outspoken and respected activists in the Tiananmen era and since. He clearly could have played a pivotal



Deregulated power
California's experiment
with choice in electricity
Page 13



Breaking the ice
New technology
for ships in the Arctic
Page 10



Heinrich von Pierer
Siemens boss tries
to satisfy everybody
Profile, Page 8

Business education
Consultants fuel buoyant
demand for MBAs
Survey from page 23

WORLD NEWS

Chinese dissident Vang Dan released from jail and flown into exile in US

Vang Dan, a leader of the 1989 Tiananmen Square protests, underwent medical checks in the US yesterday after being freed from a Chinese prison and flown to exile in the US. He was seen as a symbol of the Chinese government's willingness to accept concessions at a US-China summit in June, and human rights groups accused China of a cynical move before the visit of US President Bill Clinton. Page 14

Washington backs Cambodia poll
The US joined other western countries in supporting the Cambodian government's plan for a general election on July 26. Page 4

Nepal seeks rethink on dam
The idea of participating in a hydroelectric scheme, the company and Nepali officials said, was the \$70m project on the 900m high Annapurna mountain. But a new Nepali government was formed last week. Page 10

Oil-for-food talks open
European Union-sponsored conference opens in London today to consider ways of swiftly implementing the UN oil-for-food programme in Iraq. Page 6

Colombian activist murdered
Eduardo Umaña, a Colombian lawyer known for defending guerrilla leaders, was killed on Saturday, becoming the third Colombian human rights activist to be murdered in two months. Page 2

Challenges issued to Indian PM
The All India Anna Dravida Munnetra Kazhagam, a key coalition ally of Indian prime minister Atal Bihari Vajpayee, demanded the removal of three ministers it said were involved in investigations. Page 1

Pakistan corruption law signed
Pakistan's president Rafiq Tarar signed an anti-corruption law under which businessmen could be jailed for up to seven years for bribing officials. Page 4

Britons held in Yemen
A British family are being held captive in Yemen, where kidnapping is common among businessmen with grudges against the government or foreign companies. Page 1

Austria re-elects president
Austria's Thomas Klestil was re-elected president for a second term, according to provisional results - well ahead of his nearest rival. Page 2

Kohl hits new problems
Germany's Free Democrats, junior partner in chancellor Helmut Kohl's quinquennial government, are calling for more radical tax reforms than those agreed by the coalition. Page 14

Soccer stampede kills 4
Four Zimbabweans died and 10 more were badly hurt in a stampede for seats at an independence day soccer match at the weekend. Page 1

Bertinotti picked to head party
Former Italian prime minister Silvio Berlusconi was elected president of Forza Italia at the weekend. The media tycoon founded the political party in 1994. Page 2

Italian wins US architecture prize
Italian architect Renzo Piano won this year's Pritzker Architecture Prize. His designs include the Georges Pompidou Centre in Paris and his current projects include work at Harvard University. Page 1

Linda McCartney dies
American-born Linda McCartney, photographer, campaigner for vegetarianism and wife of ex-Beatle Sir Paul, died of cancer aged 56. She and her husband were on holiday in Santa Barbara at the time. Page 1

BUSINESS NEWS

Frank Russell 'to consider strategic options for public offering or sale'

Frank Russell, one of the world's leading asset management consultancy firms, has appointed investment bankers to consider an initial public offering or a sale to another company, people close to the firm said. Goldman Sachs, the investment bank, has been appointed by the privately owned company to examine all strategic options, one person close to the company said. Page 26; \$22bn float tempts Goldman partners. Page 15

Brazil's Superior Tribunal
of Justice has ruled that the sale of Metropolitan, the largest electricity distribution company in Latin America, was valid. Page 20

Caterpillar, US manufacturer of earth-moving equipment, announced record first-quarter results, reporting an after-tax profit of \$2.3bn, up 9 per cent on the same period in 1997. Page 18

AIG, the US-based international insurance group, has reportedly offered to take over Aoba Life Insurance of Japan. Page 19

NCR, US data warehousing and computer group, plans to acquire the 30 per cent of NCR Japan it does not already own. Page 20

Hong Kong today sees the launch of two new stock market indices, including a Hang Seng 100 index that brokers believe could replace the existing index. Page 20

Eve Airways, Taiwan's second largest international carrier, suffered foreign exchange losses last year from Asia's currency turmoil, although passenger volume was only slightly affected. Page 19

Indonesia's finance minister blamed financial speculators and hedge funds for part of its financial woes and called for the reform of south-east Asian banks. Page 6

Progressive Asset Management, the UK "venture fund" manager, hopes to launch a UK fund in June to target sickly emerging markets investment funds. Page 16; F&CM gets aggressive. Page 18

The London International Financial Futures and Options Exchange is expected to make radical changes to its structure which could include full demutualisation. Page 16

British Aerospace and Dassault aviation of France are to form a joint venture to develop new technology that could be used in their competing combat aircraft, Eurofighter and Rafale. Page 15

Martin Ebnor, the Swiss financier, has increased his stake in ABB to more than 5 per cent, in a move that could signal his plans to take a more active interest in the international engineering company. Page 15; Observer, Page 13

Enrich, a private Russian oil group partly owned by two quoted UK companies, is to be floated on the Russian stock market. Page 18

Czech investment funds are to be forced to sell their holdings and allow investors to withdraw their capital. Page 2

Lazio, Rome soccer club, will kick off a roadshow to publicise its offering of shares to private and institutional investors. Lazio will be the first Italian team to offer shares on the stock market. Page 19

World Equity Markets

The latest trends and data from more than 50 national markets at a glance
Page 38

EMS: GRID



Continued, Page 29

© THE FINANCIAL TIMES LIMITED 1998 No. 33,377

London • Leeds • Paris • Frankfurt • Stockholm • Milan • Madrid • New York • Los Angeles • Tokyo • Hong Kong

To subscribe to the FT call (800) 626 8066

Netanyahu hints at summit on Mideast peace

London is possible venue for meeting 'within a month'

By George Parker and Judy Dempsey in Jerusalem

Benjamin Netanyahu, Israeli prime minister, last night raised the prospect of a surprise summit in London within a month to push forward the Middle East peace process.

Speaking after talks with Tony Blair, the UK prime minister, Mr Netanyahu said he had a "fervent desire for peace" and wanted to force the pace of negotiations. "I'm prepared to go anywhere at any time and specifically in the next month - possibly in London - to advance the process."

Mr Netanyahu has made several such proposals in the past, none of which has been fulfilled. European Union diplomats said they were sceptical of this latest offer, but would wait and see if a London meeting would materialise.

Initial Palestinian reaction was dismissive, with Saeb Erekat, senior negotiator, dismissing the move as a cheap stunt. "What Mr Netanyahu is doing is void of substance," he said.

Downing Street said the idea of

a London summit emerged during almost two hours of talks between the two leaders in Jerusalem. Washington was aware that such an initiative was possible.

Mr Netanyahu even said he would consider US peace proposals - although in recent weeks Israel has rebuffed attempts by Washington to put new proposals on the table.

These include plans for a second overseas Israeli troop withdrawal from the West Bank. Washington wants Israel to hand over 13 per cent of land to Palestinian control. But Mr Netanyahu has repeatedly refused such a plan.

"I don't know where the discussions would take place, but I would be very happy if they were in London," Mr Blair said.

His spokesman said the UK, which currently holds the EU presidency, would not chair the talks but could host them.

Mr Blair, whose stock in the Middle East has risen since he helped to arrange a political settlement in Northern Ireland, said it was vital for all parties to keep

talking. But in a veiled warning to the Israeli leader, he said: "It's not enough just to talk the language of wanting to agree."

Mr Blair will today announce the establishment of a joint EU-Palestinian security committee when he meets Yasser Arafat, Palestinian Authority president, in Gaza.

The committee is an attempt by the EU to carve out a small role in helping to break the deadlock between Israel and the Palestinians. Talks between the two sides broke down more than a year ago when Israel started building a new Jewish settlement at Har Homa in East Jerusalem.

The committee will involve the exchange of intelligence, training in counter-terrorism and other aspects of law and order. It follows an earlier agreement with the PA in which the EU provided about \$20m for improving counter-terrorism techniques in the West Bank and Gaza.

Israeli officials yesterday welcomed the proposed security measures. The EU, repeatedly accused by Israel of being pro-



Israeli PM Benjamin Netanyahu (left) with UK counterpart Tony Blair

Palestinian, wants to show it is taking Israel's security needs seriously.

EU diplomats said the new committee would allow outsiders to monitor how the PA is combating terrorism, although it will not involve the EU sitting in on

Israeli-Palestinian security meetings.

Although the committee may give the EU a chance to carve out a limited role in helping to end the Israeli-Palestinian conflict, the EU stresses that Washington will continue to take the lead.

SANTIAGO MEETING MOVES A STEP CLOSER TO CREATING WORLD'S LARGEST COMMON MARKET BY 2005

Strong support for Americas free trade area

By Gerard Baker in Santiago

The leaders of North and South American countries yesterday promised to press ahead with the creation of a common market in goods and services by 2005, that would embrace 750m people.

The heads of government said their goal of a Free Trade Area of the Americas (FTAA) was realistic in spite of doubts about the commitment of the US, by far the largest country in the region, to further trade liberalisation.

"Here in Santiago the ground has been broken for the creation of the largest free trade area in history," said President Eduardo

Frer of Chile, who chaired the summit of the Americas.

In two days of discussions the countries of the hemisphere, except Cuba, which was excluded, agreed to combat drug trafficking and called for a coordinated effort to improve access to education for all their people.

The FTAA was proposed at the first Summit of the Americas in Miami in 1994. But US president Bill Clinton's failure to secure fast-track trade negotiating authority from the US Congress has cast serious doubt on the prospects for further integration of trade in the region.

In an attempt to demonstrate

its seriousness about the project, the US, along with other countries at the summit, approved a detailed timetable of negotiations agreed by trade ministers that would culminate in the signing of the agreement by 2005.

The declaration of Santiago said these negotiations will have made concrete progress by 2000, including action to improve transparency and other business facilitation measures. Officials issued the negotiations could continue constructively in the absence of fast track in the US.

By the time they were concluded they added, the congress would have approved fast track.

"Fast track will be enacted," said Charlene Barshelsky, the US trade representative. "We feel very good, very confident about this launch as literally did every other country around the table."

In an effort to convince sceptical members of Congress that a free trade area would not lead to the export of US jobs to countries with lower labour costs, Mr Clinton persuaded the other summit members to make so-called "civil society" issues, such as the environment, an explicit part of the free trade agreement.

In the battle against drugs, the US and Latin American countries agreed to a new system of

regional surveillance to ensure all countries took appropriate action to stop the narcotics trade.

Over time, officials said, this system would supersede the current US certification process by which Washington decries countries that are taking sufficient action and can impose sanctions if it concludes they are not.

The leaders also agreed on the need to improve health services throughout the region and to make progress towards the eradication of poverty. They pledged to earmark funds to achieve universal primary education by 2010.

Clinton fails to halt doubts, Page 3

Insurance brokers under fire over fees

By Christopher Adams in London

The world's biggest commercial insurance brokers, JAH Marsh & McLennan and Aon Group of the US, are taking tens of millions of dollars in fees and incentives from insurance underwriters.

Documents obtained by the Financial Times show payments to brokers can total 10 per cent of underwriting profit on a portfolio of business. The practice is believed widespread and not limited to the two US brokers.

Risk managers responsible for buying insurance at some of the world's biggest companies believe the payment of incentives could conflict with their interest in getting the best deal - brokers are supposed to represent companies in their dealings with underwriters.

JAH Marsh & McLennan, based in New York, said payments made by insurers accounted for about 5 per cent of broking revenue, but Gary Gatewood, head of the global broking division, denied there was a conflict of interest. He said it received volume-based incentives from underwriters in recognition of distribution, spending on technology and claims-handling services provided to the market.

The group said the agreements with insurers, which were drawn up by a different part of the group to that which dealt with clients, applied to books of busi-

ness and not specific transactions.

Ron Forrest, senior executive of Aon, which is based in Chicago, said many underwriters were eager to pay financial inducements, but brokers often refused offers from underwriters because they were not in clients' interests.

Brokers act on behalf of companies buying insurance, representing their interests with underwriters who insure risk. They typically agree with clients a fee for any services they provide or take a commission out of the premium earned by insurers.

Some underwriters say brokers have been pressuring them to pay for access to business.

Many insurance buyers have found it difficult to get details of the remuneration.

At Lloyd's of London, which is wholly dependent on brokers for business, some underwriters fear the practice may push up the cost of doing business and squeeze out small operators.

It will also test the society's regulatory regime, which is moving to reassert credibility following a decade of financial and legal problems.

Aon said the changing nature of remuneration, driven by clients wanting to pay fees for specific services, posed the question of who should pay for the work it carried out for underwriters.

Conflicting questions, Page 7

Invented for you

A legend with a name as famous as Abraham-Louis Breguet, the present watchmaker ever known. You will recognize it in the legendary "Breguet" hands, the characteristic guilloché dial, and the hourly Grand tour hand that gives your Breguet a strong character. Most important, it will ensure a hand-finished movement, as watchable and accurate today as two hundred years ago. With a watch price you have to live with every day.

Breguet

CONTENTS

World News 2,4,6,7, US News 3

MONDAY APRIL 20 1998

FINANCIAL TIMES

Strong support for Americas free trade area

By Gerard Baker in Santiago

A1

The leaders of North and South American countries yesterday promised to press ahead with the creation of a common market in goods and services by 2005 that would embrace 750m people.

The heads of government said their goal of a Free Trade Area of the Americas (FTAA) was realistic in spite of doubts about the commitment of the US, by far the largest country in the region, to further trade liberalisation.

"Here in Santiago the ground has been broken for the creation of the largest free trade area in history," said President Eduardo

Frei of Chile, who chaired the second summit of the Americas.

In two days of discussions the countries of the hemisphere, except Cuba, which was excluded, agreed to combat drug trafficking and called for a co-ordinated effort to improve access to education for all their people.

The FTAA was proposed at the first Summit of the Americas in Miami in 1994. But US president Bill Clinton's failure to secure fast-track trade negotiating authority from the US congress has cast serious doubt on the prospects for further integration of trade in the region.

In an attempt to demonstrate

its seriousness about the project, the US, along with other countries at the summit, approved a detailed timetable of negotiations agreed by trade ministers that would culminate in the signing of the agreement by 2005.

The Declaration of Santiago said these negotiations will have made concrete progress by 2000, including action to improve transparency and other business facilitation measures. Officials insisted the negotiations could continue constructively in the absence of fast track in the US. By the time they were concluded, they added, the congress would have approved fast track.

"Fast track will be enacted," said Charlene Barshefsky, the US trade representative. "We feel very good, very confident about this launch as literally did every other country around the table."

In an effort to convince sceptical members of Congress that a free trade area would not lead to the export of US jobs to countries with lower labour costs, Mr Clinton persuaded the other summit members to make so-called "civil society" issues, such as the environment, an explicit part of the free trade agreement.

In the battle against drugs, the US and Latin American countries agreed to a new system of

regional surveillance to ensure all countries took appropriate action to stop the narcotics trade.

Over time, officials said, this system would supersede the current US certification process by which Washington decides if countries are taking sufficient action and can impose sanctions if it concludes they are not.

The leaders also agreed on the need to improve health services throughout the region and to make progress towards the eradication of poverty. They pledged to earmark funds to achieve universal primary education by 2010.

Clinton fails to halt doubts, Page 3

Clinton fails to win over doubters

By Gerard Baker in Santiago

"The United States invariably does the right thing... after it has exhausted every other alternative." Thus, quoting Winston Churchill, President Bill Clinton reassured his fellow heads of government at the weekend Summit of the Americas that, for all their fears that his administration was mishandling policy in the region, all would be right in the end.

But as the leaders concluded two days of talks yesterday with a pledge to continue the integration begun four years ago at their first summit in Miami, it was far from clear that Latin American governments shared Mr Clinton's confidence.

On a number of important questions, Latin American leaders are troubled by the realisation that, whatever Mr Clinton may promise, a Congress in Washington increasingly hostile to foreign engagement constrains the president.

The failure of Mr Clinton to secure fast track trade negotiating authority, congressional hostility to Cuba and suspicions of closer co-operation with Latin American governments on drugs may render irrelevant much of what Mr Clinton is trying to do.

US officials were eager to dispel any suggestions that they had come to Santiago weakened by problems at home. "America's leadership has not been stronger in this hemisphere for over 30 years... The president is clearly... the central figure... at this summit. The agenda is an agenda that reflects our agenda," said Sandy Berger, the president's national security adviser.

And on one level that assessment seemed correct.

The Clinton administration had made democracy the central point of the Santiago summit. The "quiet revolution" which had toppled dictatorships throughout Latin America in the last decade was, Mr Clinton claimed, as significant as the fall of the Berlin Wall. And there was recognition that in the last decade at least, the US had played a positive role in promoting that democratic revolution.

But the critical challenge facing Latin America, as US officials insisted on reminding everyone, was to underpin the new democracies with a second generation of reforms aimed at improving the social and economic conditions of the people.

The summit leaders pledged urgent action on this, but there was little con-



Clinton at the summit yesterday: failure to win fast track authority will slow progress on trade

AP

fidence the US could contribute much to the process.

Raising the standard of living of the poorest Latin Americans required integrating the region's economies, opening them to trade, the leaders said. To that end the summit formally launched the Free Trade Area of the Americas - to be completed by 2005. But without US fast track authority, progress will be slow.

In the meantime, Latin Americans seem certain to press ahead with their own regional trade agreements that could leave the US out in the cold. And worse still for the US, they seem likely to push for trade pacts with Europe.

On other areas of policy, the gap between Clinton administration commitments and congressional reality was never far from the negotiations. General Barry

McCaffrey, Mr Clinton's highly effective drugs policy co-ordinator, was behind an agreement with Latin American countries that could radically change the anti-drugs battle in the hemisphere.

The leaders agreed to a new multilateral evaluation system to determine whether countries in the region are doing enough to tackle narcotic production and consumption. This would, according to Gen McCaffrey, ultimately make irrelevant the US's own certification process despised by many Latin American governments as a unilateral, quasi-racist intervention in other countries.

But in a reminder of the constraints on the administration, two leading Republican congressmen issued a sharply worded warning at the summit against any attempt to water down what

they see as US control over its own criminal justice jurisdiction.

In other areas too, there was a sense that the US administration might be more kindly disposed towards its neighbours than are US lawmakers. On Cuba, several leaders politely pressed Mr Clinton to do more to liberalise relations with Havana, a prospect that the US Congress continues to make highly unlikely.

Of course none of this is unfamiliar. When Winston Churchill made his famous observation, domestic US opinion was deeply sceptical about engagement outside the US. But, however well respected Mr Clinton may be, there are few prepared to bet he will prove to be as effective as Franklin D. Roosevelt.

**COUNSELOR TO THE PRESIDENT AND
SPECIAL ENVOY FOR THE AMERICAS
THOMAS F. MCLARTY**

April, 1998

**SANTIAGO PRESS CLIPPINGS
SUMMIT OF THE AMERICAS
Santiago, Chile**



USIS

**U.S. INFORMATION SERVICE
SANTIAGO, CHILE**

LA TERCERA (4/14)

(LEADING-CIRCULATION, POPULAR, CONSERVATIVE, SANTIAGO DAILY)

“THOMAS MCLARTY: ‘CUBA CANNOT BE PART OF THE SUMMIT.’”

Thomas McLarty: "Cuba no puede formar parte de la Cumbre"

Thomas McLarty, enviado especial para América Latina y consejero del Presidente de Estados Unidos, Bill Clinton, señaló ayer que Cuba no puede formar parte del proceso de la Cumbre de las Américas por contar con un gobierno autoritario, cuyo mandatario no fue elegido democráticamente, y por no tener un mercado abierto.

El consejero estadounidense dialogó vía satélite WorldNet con periodistas chilenos sobre la próxima reunión de mandatarios del hemisferio que se realizará en Santiago el próximo fin de semana.

En la conversación virtual, de poco más de media hora de duración, McLarty dijo que Estados Unidos espera que en Cuba se dé una transición democrática, que permita al pueblo de ese país disfrutar de sus libertades básicas, lo que le permitirá abrir una serie de oportunidades para empresas y trabajadores.

"Con la visita del Papa hemos tratado de abriremos un poco hacia Cuba, pero no vemos a este país como parte del proceso de la Cumbre a menos de que se dé esta transición democrática", recalcó.

En la ocasión, McLarty se refirió también a la agenda social que se tratará durante la Cumbre, explicando que no es buena política subdividir demasiado temas como el fortalecimiento de las democracias, el desarrollo sostenible, el comercio, el narcotráfico y el medioambiente, entre otros, puesto que da alternativas erróneas. "Cada segmento fortalece al otro. Lo que necesitamos es hacer hincapié en mejorar la vida de la gente común y no sólo mediante reformas económicas. Aún queda mucho por hacer, pues hay demasiada gente bajo la línea de la pobreza. Creo que programas concretos, como la titulación de tierras y los microcréditos pueden ayudar mucho a las personas marginalizadas", insistió.

Destacó que durante la próxima Cumbre los esfuerzos estarán enfocados en temas que dicen relación con la calidad de vida de las personas, tales como la educación, que calificó como una importante herramienta a largo plazo (más información en pág 25).

Agregó que durante su visita, el Presidente estadounidense, Bill Clinton, y la primera dama, Hillary Clinton, plantearán en sus discursos la inclusión de mujeres y grupos indígenas en la sociedad, como parte del engranaje de la economía. "Pienso que esto es parte integral de la democracia participativa", dijo.

Paola Saiz D.

LA TERCERA (4/14)

(LEADING-CIRCULATION, POPULAR, CONSERVATIVE, SANTIAGO DAILY)

HEADLINE: "U.S. ASKS LATIN AMERICA TO MAKE REFORMS."

SUBHEADLINE: "IN ORDER TO MOVE FORWARD IN ECONOMIC MATTERS, SAYS
MCLARTY."

Para poder avanzar en materias económicas, dice McLarty EE.UU. pide reformas a América Latina

El enviado especial del Presidente Bill Clinton a Las Américas, Thomas McLarty, afirmó ayer que, una vez superada la denominada "primera generación de reformas", que -según se acordó en la Primera Cumbre en Miami- contemplaba la coexistencia de elecciones libres y economías abiertas, es urgente una segunda etapa. "Los avances económicos en América Latina sólo podrán sostenerse sobre cambios estructurales: pro-

fundización de la democracia, fortalecimiento de la educación, alivio de la pobreza y estímulo al crecimiento", afirmó.

Desde Washington, la autoridad descartó que el no haber obtenido el *fast track* para negociar acuerdos comerciales -en primer lugar con Chile- haya menoscabado la credibilidad de su país. "Nos hubiera gustado tener la autorización, pero estamos seguros que la tendremos para cuando concluya el pro-

ceso del ALCA", explicó.

Consultado acerca de un cierto doble estándar de Estados Unidos -al incentivar la apertura de los mercados y, al mismo tiempo, implantar medidas proteccionistas-, McLarty sostuvo que son precisamente esos los temas "palpitantes" en la cita de Santiago.

"Estados Unidos es el mercado más abierto del mundo, pero hay productos con historia legislativa sobre los cuales siempre habrá discre-

pancias", señaló.

El embajador en Santiago, Gabriel Guerra-Mondragón, informó que durante la cumbre habrá encuentros bilaterales para abordar las actuales dificultades que enfrentan algunos productos chilenos en ese mercado, como el caso de los salmones. Además, confirmó que por problemas de "espacio y capacidad hotelera" los empresarios estadounidenses no participarán del encuentro regional.



JAIME PUEBLA

● Thomas McLarty respondió en Washington las consultas formuladas ayer desde Santiago, Montevideo y Santa Fe de Bogotá, mediante teleconferencia.

LA SEGUNDA (4/24)

(POPULAR, CONSERVATIVE, AFTERNOON SANTIAGO DAILY)

"CLINTON'S SPECIAL ENVOY TO LATIN AMERICA RESIGNS."



Thomas McLarty presentó su renuncia luego de regresar de la Cumbre de las Américas en Santiago.

●●●Renuncia Thomas McLarty, representante de Clinton para América Latina

WASHINGTON, 24 ■ **Reuters**
Thomas "Mack" McLarty, el representante especial de Bill Clinton para Asuntos Latinoamericanos y amigo del presidente estadounidense desde la infancia, anunciará hoy su renuncia, informó un funcionario de la Casa Blanca.

El funcionario dijo que Clinton aceptará con pesar la renuncia de McLarty para permitirle que retorne al sector privado.

La Oficina Oval de la Casa Blanca hará el anuncio oficial hoy, agregó el funcionario.

"Mack" ha decidido dejar la Casa Blanca a fines de junio, dijo el funcionario, quien hizo las declaraciones a condición de permanecer en el anonimato.

Clinton y McLarty se conocen desde que ambos eran niños en Hope, en el estado de Arkansas.

El funcionario dijo que McLarty notificó a Clinton de su deseo de abandonar el cargo durante una conversación que sostuvieron a principios de esta semana, poco después que el presidente estadounidense regresó a Washington al finalizar la Cumbre de las Américas en Santiago, Chile.

Renuncia enviado de Clinton para Latinoamérica

Washington, 24 ■ (EFE). Thomas McLarty, enviado especial del Presidente Bill Clinton a Latinoamérica, anunciará que se retira de ese cargo, confirmó hoy un portavoz de la Casa Blanca.

Clinton ha aceptado con tristeza la renuncia de su amigo de infancia, quien regresará a trabajar al sector privado, según dijo la misma fuente.

LA TERCERA (4/25)

(LEADING-CIRCULATION, POPULAR, CONSERVATIVE, SANTIAGO DAILY)

HEADLINE: "U.S. SPECIAL ENVOY TO LATIN AMERICA RESIGNED."

SUBHEADLINE: "THOMAS MCLARTY GOES BACK TO THE PRIVATE SECTOR."

SECOND SUBHEADLINE; "RESIGNED AFTER ATTENDING THE SECOND SUMMIT OF THE AMERICAS IN SANTIAGO."

Thomas McClarty regresa al sector privado

Dimitió enviado especial de EE.UU. para América Latina

● Presentó su renuncia después de asistir a la II Cumbre de las Américas en Santiago.

WASHINGTON (AFP).- El enviado especial para América Latina del Presidente estadounidense, Bill Clinton, Thomas McClarty, presentó su renuncia ayer después de asistir a la II Cumbre de las Américas, celebrada en Santiago de Chile la semana pasada.

Clinton despidió a "Mack" McClarty en una ceremonia en la Casa Blanca, con las siguientes palabras: "El nos ayudó a darnos cuenta de que las Américas tenían que convertirse en la piedra angular de nuestra prosperidad y seguridad para el siglo XXI".

McClarty, que asumió el puesto en 1996, volverá al



● WASHINGTON.-En una ceremonia en la Casa Blanca, presidida por Clinton, el enviado especial para América Latina, Thomas McClarty, anunció su dimisión.

REUTER

sector privado, aunque anunció que continuará aconsejando al presidente sobre asuntos hemisféricos.

"Es acertado decir que nuestra actual relación con América Latina es mucho mejor que en el pasado reciente", declaró McClarty, que fue el pri-

mer jefe del gabinete de Clinton.

"Creo que hemos roto el círculo del intervencionismo y la negligencia con nuestros vecinos del sur", añadió.

Todavía no se ha nombrado a ningún sustituto, según el portavoz de la Casa Blanca, Michael

McCurry.

Clinton resaltó que McClarty había viajado a América Latina 40 veces mientras ocupó su cargo y añadió que su dimisión no reducirá las gestiones estadounidenses en la región. Clinton ha efectuado tres viajes a América Latina el año pasado.

EL DIARIO (4/29)
(SANTIAGO FINANCIAL DAILY)

HEADLINE: "THE 'PRIVATIZATION' OF THE SPECIAL ENVOY FOR LATIN AMERICA."

SUBHEADLINE: "HE WAS CLINTON'S LAST PERSONAL FRIEND TO REMAIN IN THE WHITE HOUSE."

La "privatización" del asesor especial para América Latina

Era el último amigo personal de Clinton que quedaba en la Casa Blanca

ANTHONY BOADLE

Reuters, Washington

Thomas "Mack" McLarty viajó 44 veces a América Latina, en menos de cuatro años, como Asesor Especial para América Latina, de su amigo de la infancia, el Presidente Bill Clinton.

No aprendió a hablar español, pero sí cree que logró un cambio cualitativo en las relaciones entre Estados Unidos y América Latina, región que durante décadas fue considerada por el "Tío Sam" como su patio trasero.

"La actitud de Estados Unidos ha cambiado. Antes fluctuaba entre la intervención y la indiferencia. Hoy somos socios", dijo McLarty, quien se va de la Casa Blanca el 30 de junio.

El funcionario regresará a casa para manejar la empresa familiar de venta de autos en el Estado de Arkansas, donde conoció a Clinton hace casi medio siglo, cuando iban al mismo jardín infantil.

McLarty, el último del grupo de amigos de Arkansas que aún acompañan a Clinton, no ha sido tocado por la serie de escándalos sexuales y financieros que han rodeado la Casa Blanca.

Quiso dejar la política al finalizar el primer período presidencial de Clinton, pero se comprometió a quedarse hasta después de la II Cumbre de las Américas, ya que fue el arquitecto de la primera cumbre presidencial en Miami, en 1994.

Enviados

Clinton recurrió a McLarty para salvar la cumbre de Miami del fracaso y



Thomas McLarty, Asesor Especial para América Latina del Presidente Clinton.

fixar la agenda de esa reunión, que se basó en la creación de un área de libre comercio continental, cuyas negociaciones fueron lanzadas en la segunda cumbre en Chile.

Pese a su falta de conocimiento sobre América Latina, McLarty aceptó la tarea de ser el enviado personal de Clinton, abriendo un canal directo entre la Casa Blanca y los mandatarios de la región, el primero en tres décadas.

Los presidentes John Kennedy y Lyndon Johnson tuvieron como embajador especial para América Latina a Sol Linowitz, quien también ayudó al Presidente Jimmy Carter a negociar con el líder panameño Omar Torrijos el tratado que devolverá a Panamá el canal a fin de siglo.

Antes, el millonario Nelson Rockefeller había sido un enviado del Presidente Dwight Eisenhower para América Latina.

Efectos

La Casa Blanca no tiene

planes para reemplazar a McLarty cuando se vaya en junio, ya que el puesto era temporal.

Los expertos en asuntos latinoamericanos temen que el interés de la Casa Blanca en América Latina decaerá con la partida de McLarty, en vista de la falta de entusiasmo del Congreso estadounidense por crear el Área de Libre Comercio de las Américas (ALCA) como base de una nueva relación hemisférica.

"A McLarty se le echará de menos porque para América Latina fue una línea directa al Presidente", dijo Michael Shifter, del centro de estudios Inter-American Dialogue.

"Es importante tener a alguien tan cercano al Presidente que trabaje con América Latina y él cumplió ese papel", agregó.

La mayor frustración de McLarty fue el fracaso de Clinton en obtener la autorización del Congreso para negociar la expansión del libre comercio hacia toda América Latina por la

vía rápida.

Agenda común

La falta de vía rápida debilitó la posición negociadora de Estados Unidos y puso en duda su confiabilidad como socio de América Latina, dijo Shifter.

McLarty insiste, no obstante, en que se cimentó bases firmes de una nueva relación con la región y que por primera vez existe una agenda común.

"El Presidente dice que seguirá comprometido con América Latina".

Para el amigo de Clinton, las dos cumbres presidenciales pusieron en marcha un proceso irreversible.

"El proceso de cumbres periódicas ha madurado, las relaciones se han profundizado y el diálogo es hoy en día más franco que nunca", señaló McLarty.

La Organización de Estados Americanos (OEA) jugará un papel indiscutible en este proceso de institucionalización de las cumbres, ya que los 34 mandatarios reunidos en la Cumbre de Santiago le dieron a la OEA una tarea central en la implementación de los acuerdos pactados, dijo McLarty.

Reconoció que el secretario general de la OEA, el ex presidente colombiano César Gaviria, le ha inyectado una nueva vitalidad al principal foro político de América.

Clinton le ha pedido a McLarty que le siga aconsejando sobre asuntos latinoamericanos y que en casos de emergencia, como por ejemplo una crisis política en Paraguay o Ecuador, esté disponible para viajar a la región como su representante.

NEWSWEEK (4/29)
(SPANISH VERSION)

HEADLINE: ““ THE ONLY REALISTIC WAY.””

SUBHEADLINE: “MACK MCLARTY SPEAKS ON DEMOCRACY IN LATIN AMERICA
AND ON WASHINGTON’S ROLE IN THE HEMISPHERE.”

'La única vía realista'

Mack McLarty habla sobre la democracia en América Latina y el papel hemisférico de Washington

THOMAS (MACK) MCLARTY, viejo amigo de Bill Clinton y ex secretario general de su presidencia, asesora al mandatario sobre América Latina. Ex presidente de una de las mayores compañías de gas natural de Estados Unidos, llegó a ser enviado especial para el continente en 1996, tras organizar la primera Cumbre de las Américas en Miami. Martha Brant, de NEWSWEEK, lo entrevistó la semana pasada en Santiago. Extractos:

NEWSWEEK: Con la cooperación

regional de hoy, ¿cree usted que Estados Unidos ha perdido influencia en América Latina?

MCLARTY: No. Pero ése es un punto importante. [América Latina] es un mercado natural, pero no un mercado que podamos o debiéramos dar por descontado. En balance, la integración regional ha proporcionado el ímpetu para la integración hemisférica total. Con el tamaño del mercado estadounidense, creo que somos una nación indispensable, y lo digo no con una perspectiva petulante, sino desde un punto de vista

mundial. Decir que no vamos a tener un papel prominente en el hemisferio no es una posición realista.

¿Cuán importante es la autorización de la vía rápida para negociar el libre comercio hemisférico?

En cierto punto, si no se tiene autoridad de negociación, uno pierde la capacidad de darle forma al acuerdo.

¿No ha dañado las relaciones el no tener esa autorización?

No, no he visto eso en absoluto. Si el Presidente no hubiera

intentado conseguir la vía rápida, entonces América Latina tendría una actitud diferente. La verdad es que la integración económica está en marcha.

Usted ha dicho que América Latina está encontrando su voz.



'AL es un ejemplo': El enviado

¿Qué significa eso?

Es una revolución silenciosa. La región no sólo tiene líderes que miran hacia afuera, competentes y comprometidos a abrir mercados, sino a su gente comprometida con la democracia. La agenda [de la Cumbre]: mejor educación, seguridad en los barrios y escuelas, un poder judicial justo, abierto y accesible, libertad de expresión, no son ideas que Estados Unidos haya impuesto.

¿Qué ha cambiado desde la Cumbre de 1994?

En la región ha habido una descentralización del gobierno y una participación mucho más activa a nivel local. Desde un punto de vista económico, ha llegado a ser un modelo para emular, no para evitar.

Con los recientes desafíos a la democracia en países como Paraguay, ¿no es usted demasiado optimista?

No. Todo lo contrario. Ha habido un tremendo progreso en reformas, pero el progreso continuo de las reformas no está garantizado. La diferencia es que habiendo aumentado las expectativas, éstas fueron satisfechas en gran medida. Sólo toma poco tiempo para que el progreso real se sienta y comprenda. Ya a haber algunos reveses, pero vamos a saber mucho más sobre ellos por una prensa abierta. Cuando la gente mira algunas de las alternativas, un regreso al estatismo y a la hiperinflación, a las dictaduras militares autoritarias, la democracia es claramente el único curso realista.

Pero ha habido muchos ataques contra la prensa.

Yo creo que eso hay que vigilarlo. El observador especial será un mecanismo de advertencia con cierta capacidad para poner a los estados en alerta.

¿Por qué la delincuencia no es un tema más importante en la Cumbre?

Estamos hablando sobre eso. Es parte de las reformas de segunda generación. Le puedo decir, como hombre de negocios, que la seguridad y un sistema judicial justo van de la mano con el comercio y la inversión.

¿Significará más comercio la existencia de más narcotráfico?

Eso se planteó con el Tratado de Libre Comercio de América del Norte. Hay un elemento para eso. Pero es muy pequeño. Se podría decir lo mismo sobre el lavado de dinero y la tecnología.

**PRESIDENTIAL COUNSELOR AND
SPECIAL ENVOY FOR THE AMERICAS
THOMAS F. MCLARTY**

**Visit to Santiago, Chile
February 28 - March 1, 1998**



USIS

**U.S. INFORMATION SERVICE
SANTIAGO, CHILE**

**USIS MEDIA SUMMARY, MARCH 1, 1998:
VISIT OF COUNSELOR THOMAS MCLARTY TO SANTIAGO**

All major print media provided extensive coverage at Mr. McLarty's visit. Newspaper of record, conservative **El Mercurio** ran the exclusive interview with him as their lead front page story. Several dailies, including **El Mercurio**, ran photos of Mr. McLarty being greeted by President Frei. Brief summaries follow.

The **El Mercurio** interview is entitled "Second Hemispheric Summit: There will be Emphasis on Deepening Democracy" with the subheadline captions: : "President Clinton's special envoy emphasized that the meeting, which will be held in Santiago in April, will also focus on the debate over educational and judicial system reform," and "He said that inter-American trade will continue to grow, despite the fact that Washington has not obtained fast track authority." In the lead headline, the interview notes that Mr. McLarty said the Santiago Summit will emphasize "second generation" reforms adopted during the 1994 Summit in Miami.

The lead-in paragraph puts the writer's own interpretation on fast track by noting: "With the failure of the American government to obtain fast track authorization, one of the most attractive aspects of the Summit, the formal launching of negotiations for the formation of an FTAA by 2005, has become a lesser priority." The interview Q's and A's are straightforward and provide accurate translations of what the Counselor said. The piece also notes Mr. McLarty's press conference statement on the sale of F-16/FA-18s and the open and transparent process the Chilean government has used in evaluating its defense modernization options.

Weekday circulation leader, popular, conservative **La Tercera** ran the headline: "Thomas McLarty Met with Frei: Bill Clinton's Advisor Noted Accomplishments of Chilean Transition." The subheadline caption says, "According to the American official, Chile enjoys an excellent reputation and deserves great respect and admiration for its democracy and economic development". The piece, which carries a captioned photo of Mr. McLarty and Ambassador Guerra-Mondragón being greeted by President Frei, reports on the 2/28 press conference.

Influential, centrist **La Epoca** headlined: "McLarty Praised Chile's Economy and Transition" and carried a box article on the possible sale of U.S. aircraft that highlights in bold the Counselor's praise for U.S. jets, and also his observation that it will be up to Chile's government to evaluate the U.S. entries in the competition.

Government-owned, but editorially independent "**La Nacion**" carried the headline, "Summit Will Move Forward Second Generation Reforms" with separate box stories on Fast Track ("Clinton is Committed to Fast Track") and on the possible purchase of U.S. jets ("Offer of Planes").

Related Stories

A front page story in **El Mercurio**, “Educational Agreement Between the U.S. and Chile Advances” filed from Merida, Mexico notes that hemispheric education reform will be an important theme of the Santiago Summit. It reports on discussions on a bilateral educational agreement between the U.S. and Chile, with quotes on the latter by U.S. Deputy Secretary of Education David Longanecker, who was interviewed along with other education officials attending the Education Summit in Merida.

An inside pages story in **El Mecurio**, filed by the daily’s defense correspondent from the U.S., quotes Boeing officials as saying they are working for an end to USG restrictions on the sale of advanced armament for jet fighters. The piece notes the French government does not restrict such sales.

Television

Chile’s four major networks carried detailed coverage of the Counselor’s press conference. Leading networks Catholic University of Chile and National Television of Chile each devoted over two minutes in prime-time news programs with major emphasis on Mr. McLarty’s comments overall comments on the summit and on advancement for second generation reforms being highlighted.

USIS MEDIA SUMMARY, MARCH 2-4, 1998:
THE VISIT OF COUNSELOR THOMAS MCLARTY TO SANTIAGO

Mr. McLarty's March 1 meeting with Treasury Minister Eduardo Aninat received limited media coverage here. Centrist, influential daily, "**La Epoca**" ran a 3/2 article, "Minister Aninat Received McLarty at His Home," which noted that the meeting focussed on economic and social issues, the SOA agenda, and educational reform. The story also says that Mr. McLarty was asked by media after the meeting if President Clinton might still come here with fast track authorization. The Counselor is quoted as saying the Administration remains committed to pursuing fast track, but with or without it, trade ties will continue to grow with Chile. Mr. McLarty is also quoted as saying that fast track will be an issue in the upcoming U.S. Congressional campaigns. Popular, conservative, circulation leading daily "**La Tercera**" ran a shorter piece on the meeting in which Mr. McLarty, in response to a question on Chilean exports to the U.S., is quoted as saying that the U.S. is the world's most open and impartial market for foreign imports. **National Television of Chile (TVN, Ch. 7)** carries the same response in 3/1 prime-time television news report on the Aninat meeting.

Popular, afternoon tabloid "**La Segunda**" (3/2) ran an article, "Business Organization Directors Insist on Importance of 'FTAA' Theme in Upcoming Summit of the Americas," which completely misrepresents Mr. McLarty as having said during his visit here that trade liberalization and the launching of an FTAA were now secondary themes on the Summit agenda and had been replaced by education and judicial reform. The La Segunda piece mistakenly attributes views on trade and the FTAA to Mr. McLarty which are clearly those of "**El Mercurio**" interviewer Juan Ignacio Brito. In response, USIS sent a 3/3 letter to the editor of "La Segunda" that categorically rejects this mistaken attribution and the false and misleading premises of the article. The letter, signed by PAO Brion and published in the 3/4 issue of "**La Segunda**," quotes Mr. McLarty at length from both the press conference and "**El Mercurio**" interview on the subjects of trade as a Summit agenda item and "the strong, credible launch of the FTAA" in Santiago.

**PRESS CONFERENCE WITH COUNSELOR TO THE PRESIDENT AND SPECIAL
ENVOY TO LATIN AMERICA THOMAS F. MCLARTY
FEBRUARY 28, 1998**

SANTIAGO, CHILE

Counselor McLarty: It is good to be back in Chile less than fifty days before the Santiago Summit of the Americas. We are genuinely convinced that the Santiago Summit will be an important and indeed an historic meeting for our hemisphere. And it will be a significant and important moment for Chile and its people just as the Miami Summit was for the people of Miami and the United States in 1994. The Summit of the Americas is based on the principle that democracy can deliver a better quality of life for its people. And just as we have already seen democratic reforms sweep the region, we as a hemisphere are now pursuing a second generation of reforms. A second generation of reforms in education, in the administration of justice and health care; in addressing and alleviating poverty and moving forward on trade and economic integration. Progress in these areas will be the purpose and the promise of the Santiago Summit.

In many respects Chile has already blazed a trail, if you will, set a model, which the rest of the hemisphere is following. Democracy is firmly in place. The economy has grown on average seven percent over the past 15 years, and we expect continued growth this year even with the Asian financial crisis. Poverty in Chile has been reduced by half. Improving education for the children of Chile is a top national priority. And your innovative and successful social security system has been modeled by other countries throughout the hemisphere and indeed around the world.

These are important and exciting times in Chile. The Summit in April will be an opportunity to show the world Chile's modernity, progress and confidence. And it's our opportunity to affirm as a hemisphere the progress we have made, together, while charting a course for the twenty first century.

I've traveled here, in advance of President Clinton's visit next month -- his third trip to the region in less than a year -- to discuss summit issues, as I did yesterday in Argentina with President Menem, as Ambassador Guerra (U.S. Ambassador to Chile) noted. I will also be discussing the State visit which President Clinton will make to Santiago, reciprocating the visit of President Frei to Washington just one year ago which was the first State visit in President Clinton's second term.

I look forward to seeing President Frei later today in Viña del Mar, after my recent meeting with him in Davos, Switzerland, at the World Economic Forum. Ambassador (Richard) Brown and I and Ambassador Guerra are also looking forward to meeting with his capable summit planners, Ambassador Genaro Arriagada and Ambassador Juan Martabit. I also have scheduled meetings

with your new defense minister, Minister Troncoso and my good friend Minister Aninat, your finance minister. Thank you for joining us this morning and I'd be glad to respond to your questions.

Question: President Clinton has been committed to having "Fast Track" authorization for this Summit in order that it focus primarily on economic issues. Nevertheless, the focus seems to have shifted to education. I would like to know then how the economic theme, which is a fundamental one for countries in the region, will be addressed.

Counselor McLarty: I think perhaps a more precise understanding is as follows. We certainly did hope to achieve fast track authority and the President of course was committed to doing so. Regrettably we fell a few votes short in our Congress. We remain very much committed to pursuing fast track as the President stated very clearly in the State of the Union address.

I think the Summit agenda, both in Miami and Santiago, has always been anticipated to be a comprehensive and balanced agenda. Certainly it has been an agenda emphasizing economic issues, both economic integration, that is trade and investment, but also one of very timely economic cooperation that we see is so critically important in the Asia situation the coordination of our financial markets in the hemisphere as well as economic integration in terms of trade. Despite not having fast track, a temporary set-back, I think we have achieved a broad and deep and genuine consensus for a comprehensive launch of negotiations to lead toward the goal at the Miami Summit of a Free Trade Area by the year 2005. And that launch of negotiations would take place, I believe, very strongly and credibly at the Santiago Summit. One final point to this timely question, that I think is an important one. There had already been a consensus reached long before any fast track vote was taken, in fact several years ago by the presidents of the region, that this Summit would emphasize education and human development, particularly as it relates to addressing poverty, one of the serious concerns in the hemisphere. But the two are linked. Strengthening our democracies and their institutions, the second generation of reform, and continued macro economic growth and reforms, they're intertwined and at their purpose is to lift people's lives in a meaningful way. That I believe will be the emphasis of the Santiago Summit. Next question.

Question: How can a summit of this kind project Chile's name abroad and how does it change its image.

Counselor McLarty: I think any international meeting where you have in this case 34 heads of State assembled is an important gathering and has real meaning to any host country. I think Chile already enjoys a superb reputation internationally and I think is highly respected not only with the skill that the Chilean people have demonstrated in the international economy, but also with the peaceful transition from a military to a civil government with an emphasis on education and addressing poverty.

The economic reforms undertaken in Latin America by Chile, by Argentina, by Brazil, the skillful way in which Mexico handled their peso crisis are now becoming positive examples to other countries around the world. I have seen this in one international meeting after another.

I think this Second Summit in Santiago will highlight that an architecture is in place to guide our affairs in the hemisphere and will show increasing cooperation in the hemisphere and will reflect a deepened partnership, a partnership in the hemisphere increasingly based on mutual respect and mutual trust. Thus I think this will be a meaningful and important meeting and an exciting meeting for Chile. Ambassador Guerra has guaranteed me the weather will be as sparkling at that meeting as it is today!

Question: My question is on the purchase of aircraft, specifically, Chile's government is now considering a series of offers. The United States has two models in the competition: the F-16 and the F/A 18. Nevertheless, one of the principle questions about the purchase of the American aircraft has to do with various political factors that perhaps could lead to Chile not having the necessary weapons for the planes or replacement parts. What is your response to these criticisms and how do you view the two American aircraft that are competing?

Counselor McLarty: As you know, President Clinton made a decision to modify and lift the ban on arms sales to all Latin American countries several months ago. That decision was based on his judgement after counsel from his key advisors that democracy truly had taken hold in the region and therefore there was a need for a modification in the policy that had existed for a number of years. That decision reflects the progress that has been made in the region and reflects the confidence that we have, in the United States, in the democracies that exist here. There is truly a role for a modern and professional military in our respective governments. In regard to the specific potential sale that you mentioned, we believe the U.S. firms have the most modern, the most advanced equipment and the most competitive equipment. Of course those evaluations will be appropriately made by the Chilean Defense Ministry and the Chilean government. And I think the Chilean government is going about this process in a very open and transparent manner and our firms will continue to be very competitive in their pursuit of reaching, hopefully, an agreement, and of course we support that very much in terms of our U.S. firms as you would expect.

Question: For how many days is President Clinton coming to Chile? There seems to be some confusion on this.

Counselor McLarty: I think any scheduling operation in any presidential office is always one of the more demanding and complicated challenges. I think it is clear that President Clinton and Mrs. Clinton are looking forward to spending a considerable amount of time in Chile. Both for the State visit and for the Summit of the Americas meeting. The President will be arriving on Thursday morning for the State visit. Whether he will be addressing the Congress that day has not been determined. As you know, the Summit meetings begin on Saturday and conclude on Sunday. And both the President and Mrs. Clinton are looking forward to spending some time outside of the formal meetings, seeing this beautiful country that I have had an opportunity to see with my wife, and meeting the people of Chile. As far as the exact time frame, that had not been fully determined, but it will be several days here in the country. And again, and I can tell

you after discussing this with the President right before I left for South Korea, he and our First Lady are truly looking forward to this visit from a personal standpoint as well as the importance in being a Summit of the Americas.

Let me say just one final word in terms of our Chilean host. I think both Ambassador Martabit and Ambassador Arriagada have demonstrated a superb degree of professionalism in their not only hosting this summit but also in constructing the agenda. Ambassador Brown and I will be looking forward to our meetings with them today, and we expect to have a very full comprehensive, and a very meaningful agenda developed as we approach Santiago in mid-April.

Thank you very much.

Hoy arriba Thomas McLarty, quien se entrevistará con Frei

Llega hombre de confianza del Presidente de EE.UU.

● Personero viene a coordinar participación del Gobernante extranjero en Cumbre de Las Américas y en visita de Estado a Chile.

Un viaje relámpago por el fin de semana efectuará a Santiago el representante especial del gobierno estadounidense para América Latina y hombre de confianza del Presidente Bill Clinton, Thomas McLarty.

Según comunicó ayer la embajada de Estados Unidos, la visita del personero de Estado tiene como objeto abordar con las autoridades chilenas -concretamente con el Presidente de la República- los temas relacionados con la preparación de la venida del jefe de Estado estadounidense a Chile con ocasión de la próxima Cumbre de las Américas y de su gira oficial.

McLarty -quien también es miembro del Consejo Económico Nacional de los Estados Unidos- desempeñó una importante labor en la organización de la anterior Cumbre de las Américas de Miami, efectuada en diciembre de 1994.

A nuestro país vino en febrero del año pasado, ocasión en que también sostuvo una audiencia pri-



● Thomas McLarty también es miembro del Consejo Económico Nacional de los Estados Unidos.

vada con el Primer Mandatario chileno para afinar detalles de la gira que llevaría a Frei y comitiva a Washington.

COORDINACION

La Presidencia de la República, el Ministerio del Interior, la Cancillería y la propia embajada de Estados Unidos están a cargo de la organización de la primera visita oficial del Presidente norteamericano Bill Clinton al país, entre el 17 y 21 de abril próximo.

Pese a que la agenda que cumplirá el Mandatario estadounidense está en plena etapa de elaboración, el carácter de Estado que tiene su presencia en el país obliga a Clinton a sostener

reuniones con los representantes de los poderes Ejecutivo, Legislativo y Judicial. Además, la presencia de Bill Clinton reviste una gran significación por los temas de integración económica y comercial.

La numerosa delegación que lo acompaña está integrada a la menos por siete secretarios de Estado, entre los que se encuentran el del Tesoro, Energía, Educación y Hacienda. Se estima también la presencia de parlamentarios y representantes oficiales que sostendrán numerosos contactos con sus similares chilenos y con el sector empresarial, a fin de abordar los temas de interés para ambas naciones, que serán avanzados con la visita de encargados

especiales que llegarán al país en las próximas semanas, pese a que una visita programada del ministro de Defensa de EE.UU. a Chile tuvo que ser suspendida debido a los avatares internacionales en Irak.

El Mandatario estadounidense, perteneciente al partido Demócrata, ha impulsado una política favorable a los acuerdos con América Latina, pero en los últimos meses luego del escándalo sexual que sacudió a la casa Blanca y el conflicto con Irak, se ha desviado la atención de este hemisferio, más aún con el rechazo de la aprobación al *Fast Track* o vía rápida para concretar acuerdos comerciales por parte del Congreso norteamericano.

El Gobernante estadounidense se quedó sin la facultad para poder ampliar el Tratado de Libre Comercio y poder incluir a Chile y así adelantar negociaciones de apertura en los mercados del Asia y Latinoamérica.

Para el Gobierno chileno, la visita de Clinton, que se inscribe dentro de la Segunda Cumbre de las Américas, permitirá despejar una serie de interrogantes sobre estas materias y también tatear el terreno respecto de las reacciones proteccionistas que han surgido en algunos sectores empresariales de Estados Unidos que han castigado las exportaciones de Chile en ese país.



Thomas McLarty.

Llega al país consejero de Bill Clinton

SANTIAGO. Thomas McLarty, consejero del presidente Bill Clinton, llega hoy a Chile con el objeto de coordinar detalles de la próxima visita de Estado que realizará el mandatario norteamericano al país, entre el 16 y 20 de abril, informaron ayer fuentes diplomáticas.

McLarty permanecerá dos días en Chile, lapso durante el cual se entrevistará con el presidente Eduardo Frei y otras autoridades de gobierno para abordar temas relativos a la preparación del viaje de Clinton, que se realizará en el marco de la Cumbre de las Américas.

La segunda cumbre regional (la primera se realizó en Miami en 1994), reunirá en Chile a jefes de Estado de 34 países entre el 18 y el 19 de abril con el objeto de avanzar hacia la formación del Área de Libre Comercio de las Américas (Alca), que integrará en un solo bloque comercial a la región, además de favorecer encuentros bilaterales paralelos en beneficio de la integración.

En lo que representa su primera visita a Chile, Clinton viajará con siete ministros.

Thomas McLarty es representante especial de la Casa Blanca para Asuntos de América Latina y miembro del Consejo Económico Nacional de los Estados Unidos. Desempeñó un importante papel en la preparación de la Cumbre de las Américas de 1994 y, desde entonces, ha continuado impulsando el desarrollo de las iniciativas adoptadas en esa reunión.

El embajador de Estados Unidos en Chile, Gabriel Guerra Mondragón, ha trabajado durante el último mes en coordinar la visita de Clinton en reuniones con el Ministerio de Relaciones Exteriores. Se espera un importante operativo de seguridad para él y su comitiva.

● **CONSEJERO** llega a Chile

Afinan la visita de Clinton

Uno de los principales consejeros del Presidente norteamericano Bill Clinton se entrevistará este fin de semana con el Presidente Eduardo Frei, para conversar sobre la visita que el gobernante realizará a Chile y discutir aspectos relativos a la preparación de la segunda Cumbre de las Américas, que se efectuará en abril, en Santiago.

Thomas McLarty, representante especial de la Casa Blanca para Asuntos de América Latina, llegará hoy al país.

Durante su permanencia de veinticuatro horas, se entrevistará con Frei y otras autoridades de Gobierno.

McLarty, quien es también miembro del Consejo Económico Nacional de los Estados Unidos, desempeñó un importante papel en la preparación de la Cumbre de las Américas de Miami, efectuada en diciembre de 1994, y ha continuado impulsando el desarrollo de las iniciativas adoptadas en esa reunión.

LA DISCUSIÓN

La visita ocurrirá cuando Estados Unidos está empeñado en reemplazar en la agenda de la Cumbre el tema del Tratado de Libre Comercio por la modernización de la educación como un importante factor en la lucha contra la pobreza, por la modernización de los sistemas de justicia en las Américas y la lucha contra el narcotráfico.

El gobierno de Washington se está inclinando por esta opción debido a la imposibilidad que ha tenido para que el Congreso le apruebe la "vía rápida" o *fast track* en las negociaciones tendentes al ALCA antes de la Cumbre de abril, según reveló el embajador de ese país en Chile, Gabriel Guerra-Mondragón, en un desayuno realizado en Washington.

LAS PRIORIDADES

Los temas de educación y justicia fueron planteados a la Cumbre por el Gobierno chileno, ya que la modernización de ambos sectores son áreas prioritarias en la acción del Gobierno del Presidente Eduardo Frei, aunque también tienen relevancia en otros países americanos, particularmente en Estados Unidos, Canadá y México. Sin embargo, el director de Relaciones Económicas Internacionales de la Cancillería, Juan Gabriel Valdés, dijo recientemente, ante los problemas del gobierno de Clinton para obtener la vía rápida, que no es necesario la aprobación del *fast track* para poder discutir y avanzar sobre el ALCA.

CLINTON LIBRARY PHOTOCOPY

PHOTOCOPY
PRESERVATION

Thomas McLarty:

Hoy Llega Al País Asesor De Clinton

- Sostendrá encuentro con el Presidente Frei y verá temas relativos a próxima Cumbre.

Para sostener encuentros con autoridades nacionales, entre ellas el Presidente Eduardo Frei, llega hoy al país Thomas McLarty, asesor del Presidente Clinton para asuntos latinoamericanos.

La visita de dos días tiene como objeto avanzar en la preparación de la próxima Cumbre de las Américas que se realizará en abril en Santiago, así como en la visita de Estado que sostendrá el Mandatario estadounidense a Chile.

Sobre versiones de que su visita está vinculada a la posible venta de aviones norteamericanos a la Fuerza Aérea de Chile, fuentes de la Cancillería lo desmintieron, señalando que ese asunto quizá se trate con el secretario de Defensa de Estados Unidos, William Cohen, quien aún no fija fecha para su pospuesta visita al país.

McLarty, quien es amigo personal del Presidente Bill Clinton desde el kindergarten, se desempeña como jefe del gabinete de asesores del Mandatario estadounidense desde hace 18 meses.

Desde su estrecha cercanía con Clinton —ambos se refieren al otro como el más antiguo amigo—, McLarty impulsó la solicitud de la Casa Blanca para incorporar a Argentina como aliado extra OTAN de Estados Unidos. Cuando hizo el anuncio señaló que ese país latinoamericano era el socio más fiable que tenían en la región, recordando las numerosas operaciones de paz en que ha participado con personal militar.

El funcionario, quien es activo militante del Partido Demócrata, es casado y tiene dos hijos. También tiene una destacada participación en la empresa privada como director ejecutivo de Arkla, la compañía de gas más grande de Estados Unidos. Allí ha impulsado medidas para beneficiar a las minorías y proteger al medio ambiente.

DESTACADOS

Hoy llega Thomas McLarty a Chile

● Esta mañana arribará a Santiago el asesor de **Bill Clinton** para Asuntos de América Latina, **Thomas McLarty**, quien se reunirá con el Presidente Eduardo Frei y otras autoridades de gobierno para preparar la próxima visita de Estado que realizará el Mandatario norteamericano a Chile en los días previos a la II Cumbre de las Américas. McLarty, quien integra el Consejo Económico Nacional de los Estados Unidos, fue uno de los artífices de la primera cumbre hemisférica, realizada en Miami en 1994.

CLINTON LIBRARY PHOTOCOPY

McLarty llega a Santiago

El consejero del Presidente de Estados Unidos Bill Clinton, y representante especial de la Casa Blanca para Asuntos de América Latina, Thomas McLarty, se reunirá este fin de semana con autoridades chilenas para abordar los preparativos de la visita del Primer Mandatario estadounidense a la Cumbre de las Américas, que se realizará en Santiago el próximo 18 y 19 de abril.

McLarty llega hoy en la mañana y se entrevistará con el Presidente Eduardo Frei, así como con otras autoridades de gobierno.

El personero estadounidense también es miembro del Consejo Económico Nacional de su país y desempeñó un importante papel en la Cumbre de las Américas de Miami, efectuada en diciembre de 1994, y continúa impulsando el desarrollo de las iniciativas adoptadas en esa reunión.

El regreso de McLarty a Estados Unidos está programado para mañana.

PHOTOCOPY
PRESERVATION



FRANCISCO BRAVO RODRIGUEZ

ASESOR DE CLINTON EN EL CERRO CASTILLO.— Aproximadamente una hora y media estuvieron reunidos en la residencia del cerro Castillo, en Viña del Mar, el Presidente Eduardo Frei y el asesor de Bill Clinton, Thomas McLarty. Ambos aparecen en la fotografía saludándose. El personero norteamericano llegó pasadas las 17 horas, acompañado por el embajador de Estados Unidos en Chile, Gabriel Guerra Mondragón, y cerca de las 18.30 horas, se retiró del lugar, sin efectuar declaraciones.

En II Cumbre Hemisférica

Profundizarán democracia

Thomas McLarty, enviado especial de Bill Clinton, se entrevistó largamente ayer con el Presidente Frei en el cerro Castillo

El enviado especial del Presidente norteamericano para las Américas, Thomas F. Mc Larty, señaló que la II Cumbre Hemisférica, que tendrá lugar en Santiago a mediados de abril, pondrá énfasis en las llamadas "reformas de segunda generación", tales como la

adopción de iniciativas para la reforma de los sistemas educacionales y judiciales de los 34 países que estarán representados en la cita.

Mc Larty abandonará hoy nuestro país después de una visita relámpago de poco más de un día durante la cual

se entrevistó —ayer por la tarde— con el Presidente Eduardo Frei en el Palacio de cerro Castillo, de Viña del Mar.

Con el fracaso del gobierno norteamericano para obtener la aprobación de la vía rápida, uno de los mayores atractivos de

Profundizarán (De la A1)

la cumbre, el lanzamiento formal de las negociaciones para crear el Área de Libre Comercio de las Américas (ALCA) a partir del año 2005, ha pasado a un segundo plano.

En ausencia del tema comercial, el asesor de Bill Clinton dijo que "el tono de la agenda de la cumbre" estará dominado por la profundización de las reformas ya adoptadas para modernizar las democracias del continente. El objetivo es, indicó, acercarnos a la gente, abordando los temas que realmente interesan al público.

—¿Perjudicará a la cumbre el hecho de que no haya sido aprobada la vía rápida?

—"No, y lo digo muy claramente. En un mundo perfecto, nos hubiera gustado mucho tener la autorización de la vía rápida, y por supuesto el Presidente trató muy duramente de conseguirla. Pero no lo logró en el Congreso. Pero esta cumbre va a cumplir y sobrepasar las expectativas".

"Ciertamente que la integración económica y la cooperación económica jugarán un papel importante. Pero es esencial que profundicemos nuestras respectivas democracias para apoyar la primera generación de reformas económicas. Ese será el tono de la agenda de la cumbre".

—Esa primera generación de reformas fue adoptada por cada país en forma particular, por razones internas. ¿No debiera suceder lo mismo con la segunda generación de reformas? ¿Por qué debe haber un enfoque multilateral para ponerlas en práctica?

—"Va ser un asunto de cada país cómo logra introducir las reformas, la manera que tomarán y el ritmo que adoptarán. Pero cada vez más estamos viendo valores e intereses comunes en el hemisferio, una agenda compartida. Las reformas pueden ser adoptadas mejor, más rápido y más efectivamente de una manera cooperativa y aprendiendo de los otros".

—El gran tema multilateral es el comercio, pero éste no va a estar en primera línea, provocando quizás una sensación de fracaso en torno a la cumbre.

"No estoy de acuerdo. Hubo un período en que hubo un mayor énfasis en la integración económica y los acuerdos comerciales y lo que ahora se necesita es consolidar esos acuerdos. El tema estará presente en la cumbre con dos pilares fundamentales: un muy fuerte y exitoso lanzamiento del Área de Libre Comercio de las Américas (ALCA), un paso muy importante hacia el objetivo de crear una zona de libre comercio en el 2005; y la consolidación de la cooperación económica, en temas como instituciones financieras, transparencia, estándares de regulación, continuando con la labor realizada por los ministros de Hacienda, que se reunieron aquí en Santiago en diciembre".

—¿Entiende a la vía rápida como un requisito para lanzar las negociaciones sobre el ALCA?

—"No. En 1986, cuando la Ronda Uruguay del GATT fue inaugurada, el gobierno norteamericano no contaba con la autoridad de la vía rápida. Así y todo, esa histórica negociación fue iniciada y culminada con éxito. El Presidente Clinton tiene un historial muy sólido durante su primer periodo: la aprobación del Nafta y de los acuerdos de la Ronda Uruguay, las cumbres

de la APEC en Seattle y de Miami. Así que el lanzamiento del ALCA en Santiago será muy creíble".

—Desde una perspectiva chilena, el gran logro de la cumbre de Miami fue la invitación a Chile para convertirse en el "cuarto amigo" del Nafta. Pero esa promesa no se cumplió.

—"Estamos muy desilusionados porque no hemos conseguido un amplio acuerdo bilateral con Chile. Pero no son los acuerdos comerciales los que atraen al comercio y la inversión, sino que es la actividad del sector privado la que los produce. Lo que los acuerdos hacen es ordenar y facilitar eso. Nuestras relaciones comerciales y de inversión con Chile van a continuar creciendo. Insisto en que la pérdida mayor es para Estados Unidos, por no ser capaz de consolidar un acuerdo".

—¿Está diciendo que un acuerdo comercial con Chile no es necesario?

"No, en ningún caso me refiero a eso. Los acuerdos comerciales ayudan a ordenar y facilitar el comercio. Está en el interés de ambos países y de su gente que se alcance un acuerdo. Lo que digo es que el comercio y las inversiones seguirán creciendo mientras caminamos hacia la firma de un documento bilateral. Un acuerdo con Chile, además, sería un paso lógico en el proceso hacia el ALCA".

—¿Buscará el Presidente Clinton obtener la autorización de la vía rápida en el corto plazo?

—"Estamos comprometidos a hacer todos los esfuerzos para lograrla. El hecho que el Presidente haya sido muy claro al respecto en su discurso sobre el Estado de la Unión subraya ese compromiso. Lo que debemos hacer es encontrar una manera de reposicionar el proyecto de vía rápida para conseguir apoyo bipartidista. Es un retroceso temporal".

—No hay entonces una fecha específica.

—"No. No existe una fecha para enviar de nuevo el proyecto al Congreso, aunque continuamos comprometidos a buscar la autoridad negociadora no sólo para Chile, sino para otros países también".

—¿Ha sido afectada la credibilidad de Estados Unidos en Chile y en América Latina por el hecho de que no se aprobó la vía rápida?

—"Espero que no, porque el Presidente batalló muy duro por conseguirla y no lo consiguió debido a que hay un gran debate en Estados Unidos acerca del comercio, no porque alguien reclamara en contra de Chile".

—No hay que prometer lo que no se está seguro de conseguir.

—"Uno promete que va a poner todo su esfuerzo. Ningún Jefe de Estado sabe con seguridad qué legislación podrá ser aprobada".

—Cree que temas complicados como la reforma educacional y la reforma judicial podrán entusiasmar a los líderes y la gente?

—"No creo que sean temas complicados. Son asuntos esenciales para cualquier democracia contemporánea. Hay que recordar que el fundamento real de la Cumbre de Miami no fue el comercio, sino el hecho que la democracia se había instalado en el hemisferio de una manera dramática y profunda".

—¿Cuáles son los principales intereses de Estados Unidos para

esta cumbre?

"En la cumbre de Miami se levantó una arquitectura para conducir los asuntos hemisféricos. Los pilares son la democracia, la integración y cooperación económica, y el desarrollo sostenible de los recursos naturales. Hay un proceso en marcha para profundizar la sociedad entre los países del hemisferio en un ambiente de respeto y confianza mutuas".

—¿Está Washington aislado respecto de América Latina en algunos temas como la certificación, la política hacia Cuba, la ley Helms—Burton, etc.? ¿Serán discutidos esos temas en la cumbre?

"Existe un número limitado de áreas donde existen diferentes visiones. Si se mira como un todo, hay un número creciente de temas en los que la perspectiva es compartida y puede hablarse de una agenda común. En el caso de la certificación, estamos buscando la manera de utilizar herramientas multilaterales; respecto de Cuba, el objetivo es el mismo para todos los países de la región: una isla democrática, aunque diferimos en la estrategia".

CONFERENCIA

Tras llegar a nuestro país, pasadas las 11 horas, ofreció una rueda de prensa en la residencia del embajador Gabriel Guerra—Mondragón, ocasión en la que ratificó el compromiso de Estados Unidos con la reactivación del "fast track" y sostuvo que eso fue claramente estipulado en el discurso del estado de la Unión, del mandatario estadounidense.

"Sí esperábamos lograr el "fast track" y el Presidente ha estado comprometido con esa idea pero, lamentablemente, nos faltaron unos pocos votos", comentó.

Elogió para el desarrollo alcanzado por nuestro país, sosteniendo que "en muchos sentidos Chile ha abierto el camino, es decir, ha fijado un modelo que el resto del hemisferio está siguiendo".

Para su positiva evaluación, mencionó aspectos como la solidez de la democracia y el crecimiento económico promedio de los últimos 15 años. "Esperamos que este crecimiento sea continuado este año, aún con la crisis financiera asiática", indicó.

Figuró, asimismo, la reducción significativa de la pobreza, los mejoramientos introducidos a la educación y el sistema de seguridad social, al cual definió como "tan innovador y con tanto éxito".

VENTA DE AVIONES

En la ocasión, Thomas Mc Larty fue consultado por las negociaciones con el Gobierno chileno sobre los aviones F—16 y F—18 y la inquietud por la repercusión de posibles situaciones políticas en el acceso a repuestos y armamento.

Tras sostener que la decisión de la administración Clinton de levantar la prohibición para vender armamentos a naciones latinoamericanas refleja la confianza en las democracias, comentó que "sin duda existe un papel que ha de desempeñar unas Fuerzas Armadas modernas y profesionales en cada uno de los gobiernos".

Luego destacó la tecnología del material norteamericano, aunque enfatizó que será el Gobierno de Chile y el ministerio de Defensa el encargado de las pertinentes evaluaciones.

THOMAS MCLARTY vino a conocer detalles de la Cumbre y a convencer de las bondades de aviones de EE.UU.

Asesor de Clinton llegó a negociar

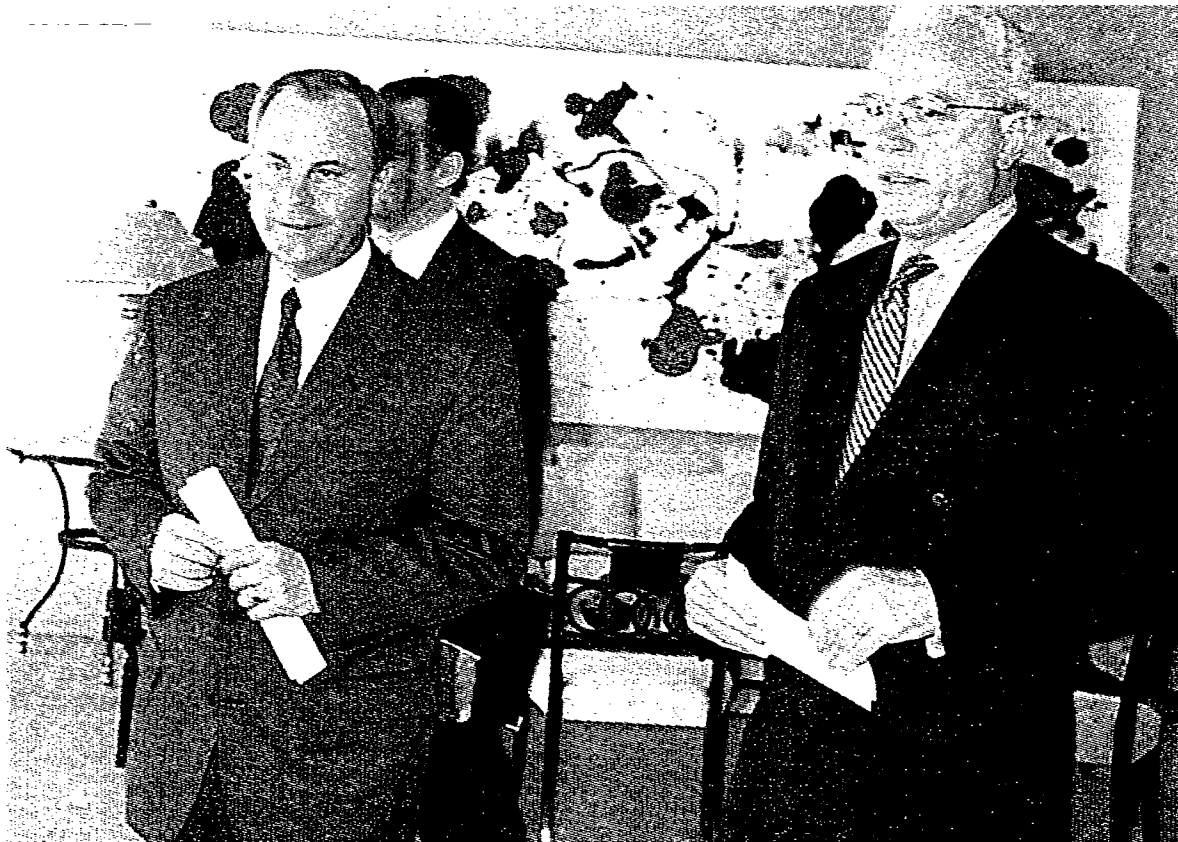
A pesar de que el gobierno estadounidense reconoce la autonomía del chileno para escoger qué tipo de avión comprará la Fuerza Aérea, la administración de ese país vería con muy buenos ojos que la decisión recayera en la oferta que han hecho dos firmas norteamericanas, afirmó ayer el asesor y amigo personal de Bill Clinton, Thomas McLarty, quien llegó para realizar una visita de dos días a Santiago. "Apoyamos a nuestras empresas, es como lógico", comentó a modo de explicación.

Oficialmente informó McLarty su presencia en la capital obedece a la organización de la Cumbre de las Américas que se efectuará en Santiago a mediados de abril próximo, pero extraoficialmente se afirma que las reuniones que tendrá tienen por objetivo realizar "lobby" en favor de las naves norteamericanas.

Como muestra está el cerrado "paquete" de entrevistas que desarrolló ayer, ocasión en la que conversó con el Presidente Eduardo Frei, en Cerro Castillo; con el ministro de Defensa, Raúl Troncoso, y con el coordinador de la Cumbre, Genaro Arriagada.

Se ha rumoreado incluso que durante la visita que efectuará Clinton a Santiago -en abril- anunciaría una subvención especial para Chile, para incentivar la preferencia de la Fach por sus modelos, reduciendo sustancialmente el costo de cada avión, que actualmente se calcula en 30 millones de dólares por unidad.

Según McLarty, las empresas norteamericanas cuentan con el equipo "más moderno, más avanzado y más competitivo. Pero será el Gobierno de Chile, el Ministerio de Defensa, los que evaluarán las características



CHILE es autónomo para decidir la compra, pero Estados Unidos agradecería la preferencia por sus aviones, admitió McLarty.

del material. El gobierno de mi país ha llevado este proceso en forma abierta, franca y transparente. Nuestras empresas son muy competitivas, esperamos -ojalá- llegar a un acuerdo. Apoyamos un acuerdo así; es como lógico porque apoyamos a nuestras empresas".

La interrogante que no despejó McLarty es si su gobierno asegura la

renovación de material en caso de que Chile se incline por la oferta norteamericana.

PLAZOS

La Fuerza Aérea deberá decidir de aquí a dos meses si adquiere entre los norteamericanos F-16 de la Lockheed Martin y el F-18 de la McDonnell; el sueco Gripen de la Saab o el

francés Mirage 2000-5 de la Dassault.

De acuerdo a informaciones extraoficiales, la FACH contempla la adquisición de al menos 16 cazabombarderos nuevos a un costo de unos 600 millones de dólares, lo que constituiría la primera etapa de un programa para reemplazar todos los aviones de primera línea de la institución por un solo modelo.

Estados Unidos levantó el embargo hacia Chile y a otros países latinoamericanos para la venta de armas por la existencia de una democracia consolidada en la región, según dijo McLarty.

En el caso americano, es el gobierno de ese país el encargado de la venta pues los fabricantes entregan sus naves a la Fuerza Aérea de Estados Unidos, la que a su vez hace el despacho al país comprador.

La Fuerza Aérea de Chile tomará la determinación final al término de la Feria del Aire y del Espacio que realizará a fines de marzo en el aeropuerto Los Cerrillos.

ALABANZAS

En lo referido a la política bilateral, McLarty no escatimó alabanzas hacia Chile por su estabilidad.

Con respecto a la II Cumbre de las Américas, explicó que "la cita se basa en que la democracia puede otorgar mejor calidad de vida a su pueblo". Agregó que "hemos visto reformas democráticas que se han llevado a cabo en todos los rincones de la región y nosotros como hemisferio, buscamos una segunda generación de reformas en educación, en administración de justicia y en atención de salud, aliviando el problema de la pobreza y avanzando en lo que es integración económica y comercio". En ese sentido, opinó que "Chile abrió el camino, es decir, ha fijado un modelo que el resto del hemisferio está siguiendo. La democracia está sólida, en su lugar. La economía ha crecido en promedio un 7% en los últimos quince años y esperamos que ese crecimiento continúe a pesar de la crisis financiera".

Thomas McLarty se reunió con Frei

Asesor de Bill Clinton destaca logros de la transición chilena

● Según el personal norteamericano, Chile disfruta de una excelente reputación y merece un alto respeto y admiración por su democracia y desarrollo económico.

El representante especial del gobierno estadounidense para América Latina y hombre de confianza de Bill Clinton, Thomas McLarty, alabó la democracia chilena, calificándola como "sólida y que ha desarrollado una transición pacífica desde un gobierno militar a otro civil".

McLarty arribó ayer a nuestro país en una visita relámpago de dos días. Su estadía tiene como objetivo preparar con las autoridades chilenas los detalles relativos

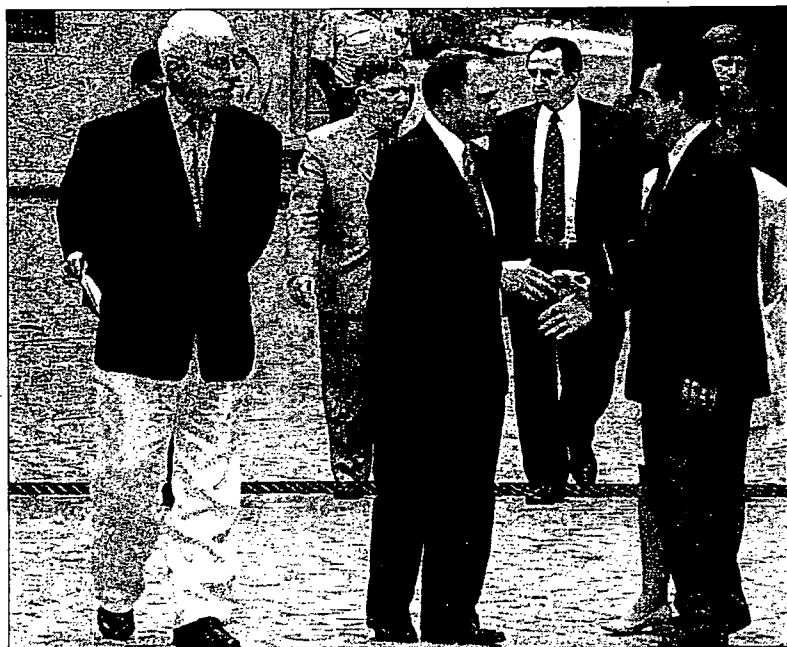
Encuentros en visita relámpago

El consejero del gobierno norteamericano Thomas McLarty sostuvo ayer una reunión privada con el Presidente Eduardo Frei en Cerro Castillo, para afinar los detalles de la visita de Estado que realizará Bill Clinton a Chile.

Según confirmó McLarty, el Mandatario norteamericano llegará junto a su esposa, Hillary Clinton, el jueves 16 de abril, dos días antes de la Cumbre de Las Américas. No se descarta que Clinton se quede más tiempo, para conocer el país.

McLarty, miembro del Consejo Económico Nacional de Estados Unidos, durante su rápida visita de fin de semana sostendrá además una serie de encuentros privados con los organizadores de la Segunda Cumbre de las Américas, Genaro Arriagada y Juan Martabit, además de reuniones con el ministro de Defensa, Raúl Troncoso, y de Hacienda, Eduardo Aninat.

Esta es la séptima vez en tres años que el personal estadounidense visita Chile. Antes de llegar a nuestro país, McLarty se reunió con el Presidente de Argentina, Carlos Menem.



ALFREDO CORTES

● El consejero del gobierno de Estados Unidos, Thomas McLarty, estrecha la diestra de Frei, luego de entrevistarse con él en Cerro Castillo, de Viña del Mar. A la izquierda de ambos, observa el embajador norteamericano, Gabriel Guerra-Mondragón.

a la visita de Clinton a Chile durante su gira oficial de abril próximo, y su asistencia a la Segunda Cumbre de las Américas (ver recuadro).

En cuanto a la calidad de anfitrión que tendrá nuestra nación en la cita internacional, el personero estadounidense señaló que Chile ha fijado modelos que el resto del hemisferio está siguiendo. "La democracia está sólida y presenta un crecimiento económico del siete por ciento que esperamos continúe, a pesar de la crisis asiática", dijo. Agregó que en el continente, Chile disfruta de una excelente reputación y merece un alto respeto por su desarrollo económico y su transición política.

Una prueba de la confianza que tiene Estados Unidos en las democracias de la región -recalcó McLarty- es que el Presidente Clinton decidió anular la prohibición que existía para la venta de armamento de alta tecnología a los países de Latinoamérica, luego del resurgimiento de las democracias. "Esta decisión la tomó de acuerdo a los antecedentes de que la situación política ya estaba consolidada. Por lo tanto, existía la urgente

necesidad de cambiar esa prohibición", explicó.

Actualmente, la Fuerza Aérea de Chile (FACH) estudia ofertas de Francia, Suecia y Estados Unidos para reemplazar parte de sus aviones de combate. Estados Unidos, cuya industria bélica ha visto afectados sus contratos debido a la crisis asiática, postula con sus modelos F-16 y F-18. McLarty sostuvo que, sin duda, las empresas norteamericanas cuentan con el equipo más moderno y competitivo, por lo que será el gobierno chileno el que evaluará esas ventajas para una potencial compra.

SIN FAST TRACK

Sobre el hecho de que Clinton vendrá a Chile sin el *fast track* o vía rápida aprobado por el Congreso de Estados Unidos para la ampliación de los acuerdos de libre comercio con nuestro país, el consejero norteamericano aseguró que su gobierno sigue comprometido con esa idea. Sostuvo que si bien el proyecto fue rechazado por unos pocos votos en el Congreso, se ha

logrado un entendimiento amplio para hacer un relanzamiento de las negociaciones, con miras a un área de libre comercio en América para el 2005.

McLarty señaló que este tema será clave en la próxima cumbre de abril. Sin embargo, sostuvo que la prioridad en la cita internacional será el análisis de la educación en el continente y el desarrollo humano. "Hemos estudiado la agenda general de tal modo que no sólo contemple el comercio internacional, sino además la cooperación económica, la educación, la administración de la justicia, la atención de la salud y todo lo que involucre mejorar la calidad de vida de las personas", concluyó.

El visitante no pudo ser consultado por la impresión de su gobierno ante el suicidio del empresario norteamericano Harold Lieberman, quien era requerido por la justicia de su país debido al millonario fraude que cometió junto a un hermano a cargo de empresas constructoras.

Maribel Rivera E.

ALTO PERSONERO de EE.UU. confirmó que Presidente Clinton viene en abril

Cumbre impulsará reformas de segunda generación

Marcela Jiménez

SANTIAGO

“Iniciar un proceso hemisférico de reformas democráticas de segunda generación, será el eje central de la II Cumbre de las Américas, que se realizará en Santiago entre el 18 y 19 de abril, en la que participarán 34 Jefes de Estado. Así lo afirmó ayer el consejero del Presidente Bill Clinton, Thomas McLarty, que realiza una gira de dos días a Chile y que ayer se reunió con el Presidente Eduardo Frei en Cerro Castillo, Viña del Mar.

McLarty explicó que el encuentro de abril se basa en el principio de que la democracia es el sistema que entrega una mejor calidad de vida a los pueblos.

En ese marco y tras el proceso de democratización de América Latina, precisó que ahora se busca una segunda generación de reformas para mejorar la educación, la administración de justicia y la entrega de salud, al tiempo de mantener los esfuerzos por disminuir la pobreza y avanzar en la integración económica de la región.

“El progreso y el avance en estas áreas, será el propósito y la promesa de la Cumbre de Santiago”, puntualizó.

Con ese objetivo, dijo que la agenda para la Cumbre de Santiago se ha elaborado con un criterio general y equilibrado, con énfasis en temas económicos como la integración y la cooperación.

ELOGIOS

Para McLarty, cualquier encuentro internacional que reúne a tantos Jefes de Estado como esta Cumbre, es una “importante y significativa” ocasión para que el país anfitrión pueda mostrar sus progresos al hemisferio.

En ese sentido, aseguró que Chile “goza de una excelente reputación y admiración internacional por su proceso de integración económica, pero principalmente por su pacífica transición de un gobierno militar a uno ci-

vil”.

Agregó que Chile tiene una “democracia consolidada, con prioridad en la educación y la superación de la pobreza” y una economía que ha crecido en un promedio del 7% en los últimos años. Estos son aspectos que para McLarty han convertido al país en “un modelo a seguir por el resto de la región”.

Informó que en forma paralela a su participación en la cumbre, Clinton tiene programado realizar una visita de Estado a Chile, “como retri-

bución” a la que hizo el año pasado a Washington el Presidente Frei.

Aunque el detalle de su visita aún no está definido, dijo que el Presidente estadounidense llegará al país el jueves 16 de abril y que está contemplando la posibilidad de visitar el Congreso Nacional.

Aparte de la reunión de McLarty con el Presidente Frei de ayer en la tarde, el personero tiene previsto para hoy encuentros con los ministros de Defensa, Raúl Troncoso y de Hacienda, Eduardo Aninat.



El consejero del Presidente Clinton, Thomas McLarty llegó ayer a Santiago. En la mañana habló con la prensa en la residencia del embajador Gabriel Guerra Mondragón (en la foto junto a McLarty) y por la tarde se reunió con el Presidente Frei en Cerro Castillo.

Clinton está comprometido con fast track

El encargado de la Casa Blanca para los asuntos de América Latina, Thomas McLarty, afirmó ayer que el Presidente Bill Clinton sigue comprometido con la idea de lograr que el Congreso estadounidense apruebe el fast track para negociar con Chile el ingreso al Tratado de Libre Comercio del Norte (Nafta).

"Seguimos comprometidos con esta idea y fue claramente estipulado en el discurso del estado de la nación que dio el Presidente Clinton hace unas semanas", puntualizó McLarty.

A pesar del interés del Mandatario estadounidense por aprobar el fast track, este fue retirado del Congreso por la falta de votos.

McLarty dijo que aunque no se logró aprobarlo por obstáculos de "naturaleza temporal, el gobierno ha logrado una comprensión amplia y profunda para realizar un lanzamiento de las negociaciones, que tendrán un área de libre comercio el año 2005".

A juicio del consejero de Clinton, dicho lanzamiento de las negociaciones para el ALCA se escuchará "muy fuerte y firme" mientras se desarrolle la II Cumbre de las Américas de Santiago, en abril próximo.

PHOTOCOPY PRESERVATION

Oferta de aviones

Ante la serie de ofertas de Estados Unidos para que el gobierno chileno compre aviones F-16 y F-18, Thomas McLarty dijo ayer que las empresas norteamericanas cuentan con el equipo más moderno y avanzado, pero que "la decisión final corresponderá al Ministerio de Defensa que deberá evaluar estas características".

Agregó que EE.UU. valora que el gobierno chileno realice este proceso en un marco de transparencia y que esperan llegar a un buen acuerdo con Chile en la eventual compra de aviones.

Recordó que el Presidente Bill Clinton decidió levantar la prohibición de venta de armas a América Latina, sobre la base de que la democracia -dijo- se ha consolidado en la región. "Esto refleja el progreso de la región y nuestra confianza en las democracias de ésta", afirmó.

Consejero de EE.UU. cree que temas sociales e integración serán prioritarios en Cumbre

McLarty elogió economía y transición chilena

LA EPOCA

Santiago

El progreso en áreas como la educación y la salud, así como el propósito de enfrentar el problema de la pobreza y avanzar en la integración económica y comercial, serán objetivos prioritarios de la II Cumbre de las Américas, aseguró el consejero del Presidente **Bill Clinton** y representante de la Casa Blanca para asuntos de América Latina, **Thomas McLarty**.

El personero de Estado llegó a Santiago en la mañana de ayer para coordinar la participación del gobernante estadounidense en la Cumbre que tendrá lugar en la capital en abril próximo y para preparar la visita oficial de Clinton a Chile. Luego de su arribo McLarty se trasladó a la residencia del embajador de Estados Unidos, **Gabriel Guerra Mondragón**, en donde ofreció una conferencia de prensa.

Reformas

En la ocasión manifestó que "como hemisferio ya estamos buscando una segunda generación de reformas en educación, en administración de justicia, abordando y aliviando el



El consejero del gobierno de EE.UU. Thomas McLarty, el embajador en Chile Gabriel Guerra Mondragón y el funcionario estadounidense, embajador Richard Brown.

McLarty afirmó que se está buscando "una segunda generación de reformas en educación, en administración de justicia, abordando y aliviando el problema de la pobreza y avanzando en lo que es integración económica y comercio".

problema de la pobreza y avanzando en lo que es integración económica y comercio". Añadió que el progreso y el avance en esas áreas

será el propósito y la promesa de la Cumbre de Santiago.

Luego de subrayar que en muchos sentidos Chile ha fijado un modelo que el resto del hemisferio está siguiendo, puntualizó que "la democracia está sólida, la economía ha crecido en promedio 7 por ciento durante los últimos 15 años y esperamos que ese creci-

miento sea continuado este año aún con la crisis financiera asiática".

Respecto del objetivo de su viaje a Chile el consejero estadounidense explicó que viajó con antelación a la visita del Presidente Clinton para analizar temas sobre la Cumbre tal como lo hizo ayer en Argentina con el Presidente Menem. "También analizaré —dijo— la visita de Estado del Presidente Clinton que efectuará a Santiago en reciprocidad a la visita que hizo el Presidente Frei a Washington hace un año atrás".

Además de la reunión que sostendría ayer con el Primer Mandatario, informó que se reunirá con los

Aviones norteamericanos

Sobre el estudio que está haciendo el gobierno de Chile de ofertas para la compra de aviones y sobre cuestionamientos a los modelos F-16 y F-18 que ofrece Estados Unidos, el consejero del gobierno norteamericano, **Thomas McLarty**, afirmó que el Presidente Clinton levantó la prohibición que existía para la venta de armamento para los países de América Latina y que esa decisión "él la tomó basado en su propio criterio, pero con la asesoría de personas clave que habían estudiado la región y lo hizo sobre la base de que ya la democracia se había enraizado, ya estaba consolidada y por lo tanto, existía la urgente necesidad de modificar esa política que había estado en vigencia por tanto tiempo". Aseveró que este hecho evidencia el progreso que ha habido en la región y también "es un gran reflejo de la confianza que nosotros tenemos en las democracias del hemisferio".

El representante especial de EE.UU. para América Latina, afirmó que en cuanto a la venta potencial de ese material, (aviones) **"sin duda las empresas americanas cuentan con el equipo más moderno, más avanzado y más competitivo"**. No obstante, subrayó que serán el gobierno de Chile y el Ministerio de Defensa quienes evaluarán esas características.

Precisó finalmente que el gobierno chileno ha llevado el proceso (estudio de las ofertas) en una forma abierta, franca y transparente, "lo cual apreciamos y esperamos llegar a un acuerdo y como es lógico apoyamos a nuestras empresas".

ministros de Hacienda, Defensa y de Relaciones Exteriores(s).

Asunto económico

Consultado cómo será abordado el tema económico en la Cumbre, precisó que siempre se ha considerado que la agenda de la Cumbre de Santiago debe ser general, de muchos elementos y al mismo tiempo equilibrada. "Ciertamente con énfasis en temas económicos como la integración económica, que involucra el comercio e inversiones, pero también en coopera-

ción económica tan oportuna y esencial en este momento como lo hemos visto por la crisis financiera donde hemos tenido que coordinar los mercados financieros", aseveró el representante especial de Estados Unidos.

Asimismo, dijo que aunque aún no ha sido aprobado el *fast track*, "pensamos que sí hemos logrado un entendimiento profundo para hacer un lanzamiento de las negociaciones que llevarán a tener un área de libre comercio para el año 2005".

CLINTON LIBRARY PHOTOCOPY

PHOTOCOPY
PRESERVATION

II Cumbre Hemisférica: Habrá Énfasis En Profundizar La Democracia

- Thomas McLarty, enviado especial del Presidente Bill Clinton, manifestó que la cita, que se realizará en abril en Santiago, centrará también su debate en las reformas educacional y del sistema judicial.
- Dijo que el comercio interamericano seguirá creciendo, a pesar de que Washington no haya conseguido la autorización para la vía rápida.

El enviado especial del Presidente norteamericano para las Américas, Thomas F. McLarty, señaló que la II Cumbre Hemisférica, que tendrá lugar en Santiago a mediados de abril, pondrá énfasis en las llamadas "reformas de segunda generación", tales como la adopción de iniciativas para la reforma de los sistemas educacionales y judiciales de los 34 países que estarán representados en la cita.

McLarty abandonará hoy nuestro país después de una visita relámpago de poco más de un día durante la cual se entrevistó —ayer por la tarde— con el Presidente Eduardo Frei en el Palacio de Cerro Castillo, de Viña del Mar.

Con el fracaso del gobierno norteamericano para obtener la aprobación de la vía rápida, uno de los mayores atractivos de la cumbre, el lanzamiento formal de las negociaciones para crear el Área de Libre Comercio de las Américas (ALCA) a partir del año 2005, ha pasado a un segundo plano.

En ausencia del tema comercial, el asesor del Mandatario Bill Clinton dijo que "el tono de la agenda de la cumbre" estará dominado por la profundización de las reformas ya adoptadas para modernizar las democracias del continente. El objetivo es, indicó, acercarlas a la gente, abordando los temas que realmente interesan al público.

—¿Perjudicará a la cumbre el hecho de que no haya sido aprobada la vía rápida?

—No, y lo digo muy claramente. En un mundo perfecto, nos hubiera gustado mucho tener la autorización de la vía rápida, y por supuesto el Presidente trató muy duramente de conseguirla. Pero no lo logró en el Congreso.

Pero esta cumbre va a cumplir y sobrepasar las expectativas. Si miramos atrás, después de la histórica cita de Miami en 1994 (la primera cumbre de las Américas),

(Continúa en la página A 16)

Habrá Énfasis en Profundizar la Democracia

(De la página A 1)

CLINTON LIBRARY PHOTOCOPY

PHOTOCOPY
PRESERVATION

los líderes de la región ya habían pensado en la educación y en una segunda generación de reformas como una agenda oportuna y relevante para esta cita.

Ciertamente, que la integración económica y la cooperación económica jugarán un papel importante. Pero es esencial que profundicemos nuestras respectivas democracias para apoyar la primera generación de reformas económicas. Ese será el tono de la agenda de la cumbre.

—Esa primera generación de reformas fue adoptada por cada país en forma particular, por razones internas. ¿No debiera suceder lo mismo con la segunda generación de reformas? ¿Por qué debe haber un enfoque multilateral para ponerlas en práctica?

—Va a ser un asunto de cada país cómo logra introducir las reformas, la manera que tomarán y el ritmo que adoptarán. Pero cada vez más estamos viendo valores e intereses comunes en el hemisferio, una agenda compartida. Las reformas pueden ser adoptadas mejor, más rápido y más efectivamente de una manera cooperativa y aprendiendo de los otros.

—El gran tema multilateral es el comercio, pero éste no va a estar en primera línea, provocando quizás una sensación de fracaso en torno a la cumbre.

—No estoy de acuerdo. Hubo un período en que hubo un mayor énfasis en la integración económica y los acuerdos comerciales y lo que ahora se necesita es consolidar esos acuerdos. El tema estará presente en la cumbre con dos pilares fundamentales: un muy fuerte y exitoso lanzamiento del Área de Libre Comercio de las Américas (ALCA), un paso muy importante hacia el objetivo de crear una zona de libre comercio en el 2005, y la consolidación de la cooperación económica, en temas como instituciones financieras, transparencia, estándares de regulación, continuando con la labor realizada por los ministros de Hacienda, que se reunieron aquí en Santiago en diciembre.

El enfoque multilateral no se reduce sólo al comercio, sino que también incluye el narcotráfico, la degradación ambiental, el terrorismo, el crimen internacional. Hay muchas otras áreas. Sugerir un enfoque reducido al comercio no se ajusta a la realidad.

Por lo demás, el comercio va a continuar creciendo a nivel hemisférico. La gran pérdida aquí es para Estados Unidos, no para el hemisferio, porque sin la vía rápida no tenemos tanta capacidad para ayudar a definir la discusión de la manera que creemos es la apropiada. Pero la integración económica no se va a retrasar.

—Entiende a la vía rápida como un requisito para lanzar las negociaciones sobre el ALCA?

—No. En 1986, cuando la Ronda Uruguay del GATT fue inaugurada, el gobierno norteamericano no contaba con la autoridad de la vía rápida. Así y todo, esa histórica negociación fue iniciada y culminada con éxito. El Presiden-

te Clinton tiene un historial muy sólido durante su primer período: la aprobación del Nafta y de los acuerdos de la Ronda Uruguay, las cumbres de la APEC en Seattle y de Miami. Así que el lanzamiento del ALCA en Santiago será muy creíble.

—Desde una perspectiva chilena, el gran logro de la cumbre de Miami fue la invitación a Chile para convertirse en el "cuarto amigo" del Nafta. Pero esa promesa no se cumplió.

—Estamos muy desilusionados porque no hemos conseguido un amplio acuerdo bilateral con Chile. Pero no son los acuerdos comerciales los que atraen al comercio y la inversión, sino que es la actividad del sector privado la que los produce. Lo que los acuerdos hacen es ordenar y facilitar eso. Nuestras relaciones comerciales y de inversión con Chile van a continuar creciendo. Insisto en que la pérdida mayor es para Estados Unidos, por no ser capaz de consolidar un acuerdo.

—¿Está diciendo que un acuerdo comercial con Chile no es necesario?

—No, en ningún caso me refiero a eso. Los acuerdos comerciales ayudan a ordenar y facilitar el comercio. Está en el interés de ambos países y de su gente que se alcance un acuerdo. Lo que digo es que el comercio y las inversiones seguirán creciendo mientras caminamos hacia la firma de un documento bilateral.

Un acuerdo con Chile, además, sería un paso lógico en el proceso hacia el ALCA.

—¿Buscará el Presidente Clinton obtener la autorización de la vía rápida en el corto plazo?

—Estamos comprometidos a hacer todos los esfuerzos para lograrla. El hecho de que el Presidente haya sido muy claro al respecto en su discurso sobre el estado de la Unión subraya ese compromiso. Lo que debemos hacer es encontrar una manera de reposicionar el proyecto de vía rápida para conseguir apoyo bipartidista. Es un retroceso temporal.

—No hay entonces una fecha específica.

—No. No existe una fecha para enviar de nuevo el proyecto al Congreso, aunque continuamos comprometidos a buscar la autoridad negociadora no sólo para Chile, sino para otros países también.

—Ha sido afectada la credibilidad de Estados Unidos en Chile y en América Latina por el hecho de que no se aprobó la vía rápida?

—Espero que no, porque el Presidente batalló muy duro por conseguirla y no lo consiguió debido a que hay un gran debate en Estados Unidos acerca del comercio, no porque alguien reclamara en contra de Chile. Si el Presidente no hubiera presentado el proyecto y no hubiera peleado por él, ahí sí la credibilidad sería un tema relevante.

Pero los líderes y los electores latinoamericanos se dan cuenta de que existe una separación de poderes y que no siempre se obtie-

nen los resultados legislativos que se desean.

—No hay que prometer lo que no se está seguro de conseguir.

—Uno promete que va a poner todo su esfuerzo. Ningún Jefe de Estado sabe con seguridad qué legislación podrá ser aprobada.

—¿Cree que temas complicados como la reforma educacional y la reforma judicial podrán entusiasmar a los líderes y la gente?

—No creo que sean temas complicados. Son asuntos esenciales para cualquier democracia contemporánea. Hay que recordar que el fundamento real de la Cumbre de Miami no fue el comercio, sino el hecho de que la democracia se había instalado en el hemisferio de una manera dramática y profunda. La gente se identifica con la democracia y la libertad que ésta conlleva, y la reforma en temas como la educación y la justicia son pasos en esa dirección.

—¿Cuáles son los principales intereses de Estados Unidos para esta cumbre?

—En la cumbre de Miami se levantó una arquitectura para conducir los asuntos hemisféricos. Los pilares son la democracia, la integración y cooperación económica, y el desarrollo sostenible de los recursos naturales. Hay un proceso en marcha para profundizar la sociedad entre los países del hemisferio en un ambiente de respeto y confianza mutuas.

En términos de los temas propios de la agenda, buscamos maneras de hacer que nuestras democracias sean más modernas, de fortalecer nuestras instituciones, incluyendo el imperio de la ley, la reforma judicial, la reforma educacional y el desarrollo económico, para dar a la gente la posibilidad y las herramientas para participar en una economía global.

A diferencia de otras instancias, en las que los debates sobre educación pueden tener poco significado o ser tratados de una manera superficial, tendremos en la cumbre iniciativas específicas de Presidentes para subir los estándares de la educación primaria y hacer más responsables a los profesores, al mismo tiempo que tendremos instituciones multilaterales que podrán entregar fondos, quizás cercanos a los mil millones de dólares, para fortalecer las reformas adoptadas en el área de la educación.

—¿Está Washington aislado respecto de América Latina en algunos temas como la certificación, la política hacia Cuba, la ley Helms-Burton, etc.? ¿Serán discutidos esos temas en la cumbre?

—Existe un número limitado de áreas donde existen diferentes visiones. Si se mira como un todo, hay un número creciente de temas en los que la perspectiva es compartida y puede hablarse de una agenda común. En el caso de la certificación, estamos buscando la manera de utilizar herramientas multilaterales; respecto de Cuba, el objetivo es el mismo para todos los países de la región: una isla democrática, aunque diferimos en la estrategia.

PHOTOCOPY
PRESERVATION

Así y todo, tenemos hoy la posibilidad de enfrentar esos temas problemáticos de una manera mucho más madura, debido a que nuestra relación está más afianzada.

Esos temas muy raramente dominan la discusión entre los líderes del hemisferio. Lo que preocupa realmente son los asuntos que afectan directamente las vidas de la gente y del electorado: oportunidades de buenos trabajos, educación, protección del medio ambiente; salud, etc. En todos estos temas podemos trabajar juntos.

CONFERENCIA

Tras llegar a nuestro país, pasadas las 11 horas, ofreció una rueda de prensa en la residencia del embajador Gabriel Guerra Mondragón, ocasión en la que ratificó el compromiso de Estados Unidos con la reactivación del fast track y sostuvo que eso fue claramente estipulado en el discurso del estado de la Unión del Mandatario estadounidense.

"Si esperábamos lograr el fast track y el Presidente ha estado comprometido con esa idea pero, lamentablemente, nos faltaron unos pocos votos", comentó.

Elogió el desarrollo alcanzado por nuestro país, sosteniendo que "en muchos sentidos Chile ha abierto el camino, es decir, ha fijado un modelo que el resto del hemisferio está siguiendo".

Para su positiva evaluación, mencionó aspectos como la solidez de la democracia y el crecimiento económico promedio de los últimos 15 años. "Esperamos que este crecimiento sea continuado este año, aun con la crisis financiera asiática", indicó.

Figuraron asimismo, la reducción significativa de la pobreza, los mejoramientos introducidos a la educación y el sistema de seguridad social, al cual definió como "tan innovador y con tanto éxito".

VENTA DE AVIONES

En la ocasión, Thomas McLarty fue consultado por las negociaciones con el Gobierno chileno sobre los aviones F-16 y F-18 y la inquietud por la repercusión de posibles situaciones políticas en el acceso a repuestos y armamento.

Tras sostener que la decisión de la administración Clinton de levantar la prohibición para vender armamentos a naciones latinoamericanas refleja la confianza en las democracias, comentó que "sin duda existe un papel que han de desempeñar unas Fuerzas Armadas modernas y profesionales en cada uno de los gobiernos".

Luego destacó la tecnología del material norteamericano, aunque enfatizó que será el Gobierno de Chile y el Ministerio de Defensa los encargados de las pertinentes evaluaciones. Alabó, asimismo, la transparencia y apertura con que se ha desarrollado el proceso y sostuvo que apoyan, como es lógico, a las empresas Lockheed Martin y Boeing McDonell Douglas.

Cont. EL MERCURIO
March 1, 1998



AGENDA DEFINITIVA .- *Diversas reuniones para definir la agenda de la II Cumbre de las Américas y de la visita del Presidente Clinton en abril próximo, sostuvo ayer Thomas McLarty. El personero, acompañado por el embajador Gabriel Guerra Mondragón, se reunió durante una hora y 45 minutos con el Presidente Eduardo Frei, en el palacio de Cerro Castillo de Viña del Mar.*

Llegó asesor Parten últimos ajustes ante la visita de Clinton

SANTIAGO (AFP). El jefe del gabinete de asesores del Presidente Bill Clinton, el empresario Thomas McLarty, arribó ayer a Santiago para entrevistarse con autoridades sobre la próxima Segunda Cumbre de las Américas y una inmediata visita oficial a Chile del presidente estadounidense.

La Cumbre en la capital chilena se realizará el 18 y el 19 de abril y Clinton prolongaría su estadía hasta el día 22, según un programa preliminar.

La Cumbre de las Américas "se basa en el principio de que la democracia puede entregar y otorgar una mejor calidad de vida a sus pueblos", dijo McLarty en breve declaraciones a la llegada al aeropuerto santiaguino en un avión de la Fuerza Aérea de su país.

"Hemos visto cómo reformas democráticas se han llevado a cabo en todos los rincones de la región, y nosotros, como hemisferio, entonces ya estamos buscando una segunda generación de reformas, en educación, en administración de justicia y en atención a la salud", manifestó el asesor.

"Además, abordando y aliviando el problema de la pobreza y avanzando en lo que es integración económica y comercio", agregó McLarty, que también elogió el progreso de la economía de Chile, al que mencionó como "ejemplar".

McLarty declaró a los periodistas que espera que las negociaciones para el Área de Libre Comercio de las Américas (Alca) sean iniciadas en la cumbre, aunque Clinton no pudiera obtener autoridad de vía rápida, que limita el poder del congreso a votar sobre pactos comerciales alcanzados.

El personero se reunió ayer con el ministro de Defensa, Raúl Troncoso, con el Presidente Eduardo Frei en la residencia de Cerro Castillo -lugar en que está de vacaciones- y se entrevistará hoy con el titular de Hacienda, Eduardo Aninat.

PESE A DECLARACIONES DE ENVIADO ESPECIAL DE CLINTON

Dirigentes empresariales insisten en vigencia del “tema ALCA” para próxima Cumbre de las Américas

Declararon que aunque la educación y la justicia -temas anunciados por McLarty como “los centrales” del debate que se dará en Santiago a mediados de abril- son muy importantes, no puede excluirse la liberalización comercial que fue el núcleo de la primera Cumbre realizada en Miami en 1994.

Sin mucha preocupación recibieron los principales dirigentes gremiales de nuestro país las recientes declaraciones del enviado especial del Presidente norteamericano Bill Clinton, Thomas McLarty, quien en visita oficial a Chile pasó por alto el tema de la liberalización comercial, tan esperado para la próxima cumbre de las Américas.

McLarty declaró que en la Cumbre hemisférica —que tendrá lugar a mediados de abril en Santiago— se pondrá énfasis en las llamadas reformas de segunda generación, y que el lanzamiento formal de las negociaciones para crear el Área de Libre Comercio de las Américas, ALCA, pasó a segundo plano.

Concha: ‘no está desahuciado’

El secretario general de la Sofoa.



El secretario general de la Sofoa, Andrés Concha, y el embajador de Alemania, Horst Palenberg, al inaugurar el curso “Gestión Ambiental en la Empresa”.

Andrés Concha, dijo que debido a que el congreso norteamericano todavía no otorga la autorización del *fast track* para Estados Unidos “es muy difícil dar un impulso muy decisivo respecto del tema de comercio exterior”.

Luego de dar inicio al curso sobre “Gestión ambiental en la empresa” —que organizan el gobierno alemán y la Sociedad de Fomento Fabril— Concha se refirió a las declaraciones de

Thomas MacLarty. Dijo que “Norteamérica no está en condiciones de poder sentarse a una mesa para discutir mano a mano los planteamientos que ha venido haciendo, por ejemplo, el Mercosur respecto del ALCA”.

Sin embargo el dirigente gremial se mostró optimista ante la creación de una zona de libre comercio de aquí al año 2005, tal como lo prometió en su momento el Presidente norteamericano Bill Clinton.

CLINTON LIBRARY PHOTOCOPY

PHOTOCOPY
PRESERVATION

LA SEGUNDA
March 2, 1998

CLINTON LIBRARY PHOTOCOPY

blemas sociales de un país son muy importantes, "pero no sacamos nada con tener un buen nivel de educación si las puertas del comercio no se abren".

Y agregó: "Me da la sensación de que cada vez que este país levanta un poquito la cabeza, nos hacen una 'china' y característica de ello son los norteamericanos, con el caso de los salmones y las callampas, porque el hecho de exportar US\$ 700.000 de callampas no afecta la economía norteamericana y así y todo la acusan de *dumping*".

Por este motivo, indicó que la actitud de Estados Unidos revela "una falta de equilibrio, que le da una imagen y carácter de hermano mayor, con un grado de prepotencia".

Belloio: 'sería un error'

Luego de las declaraciones del funcionario norteamericano, para el gerente general de la Cámara Chilena de la Construcción, Blas Belloio, es "entonces urgente tratar el tema del libre comercio a Chile en la reunión de San José de Costa Rica", cita previa a la Cumbre de las Américas, puesto que es un tópico de gran importancia para el país.

Consideró que sería "un error dejar el tema de lado ya que es muy importante avanzar en la apertura de nuestra economía". En Chile —dijo— se habla de rebajar los aranceles para favorecer al libre comercio, y que sería una lástima que se perdiera la oportunidad.

AMCHAM: 'falla enorme'

Por su parte, el presidente de Amcham, Alex Fernández, sostuvo que sería una falla enorme de que en la cumbre no se le de importancia al libre comercio. "Tenemos que continuar abriendo el libre comercio de las Américas" dijo.

"Que al Presidente Clinton no le haya resultado el fast track, no tiene nada que ver con el Alca", indicó. Fernández agregó si bien Estados Unidos es un actor importante, los demás países de Latinoamérica pueden comenzar a negociar sin él. Explicó que la clave es que se le otorgue igual prioridad a los temas que serán tratados: educación, judicial y libre comercio, pero que no se puede olvidar el libre comercio.

Concha indicó incluso que "el tema del Alca no está desahuciado para ser tratado en la próxima Cumbre de las Américas. Creemos que el señor McLarty no ha descartado la posibilidad de llegar a un acuerdo para lanzar el inicio de la negociación durante la cumbre".

Fantuzzi: 'falta de equilibrio'

El presidente de Asexma, Roberto Fantuzzi, rechazó las declaraciones de Thomas Mc Larty, en cuanto a que el Alca no estaría en el temario de la próxima Cumbre de las Américas. "Me da rabia que la agenda la haga un sólo país, porque ésta debe ser compartida", subrayó.

A su juicio, no cabe duda de que la educación, la capacitación y los pro-

Ministro Aninat recibió en su casa a McLarty

J.B.M

Santiago

El ministro de Hacienda, **Eduardo Aninat**, informó a **La Epoca** que en la reunión que sostuvo anoche en su residencia con **Thomas McLarty**, asesor del Presidente de Estados Unidos, **Bill Clinton**, abordaron temas económicos y sociales de la agenda que se tratará en la II Cumbre de las Américas, a desarrollarse en abril en Santiago.

Agregó que hubo un intercambio de experiencias en el campo de la reforma educacional y en el ámbito social "que precisamente ha sido elegido como uno de los temas adicionales a tratar durante la Cumbre en Santiago".

Otro tópico de importancia fue el análisis de la crisis que se vive en el sudeste asiático, ya que McLarty asistió al cambio de mando Presidencial en Corea del Sur "por lo que hemos conversado sobre como marcha ese aspecto del Asia Pacífico".

Cumbre

En relación a los aspectos de la II Cumbre de las Américas, a la que asistirán 34 países, Aninat señaló que "en lo que hemos coincidido es que a partir de enfoques y visiones comunes, podemos seguir avanzando en la experiencia rica en las américas sobre acercar la democracia a la gente y asegurar que las reformas en el ámbito

social provean de mayor justicia y equidad en este período de crecimiento en que está embarcado el crecimiento".

En este ámbito se le consultó a McLarty si aún existe alguna posibilidad de que Clinton llegue a la reunión de los países americanos con la facultad de negociar por la vía rápida (*fast track*), a lo que manifestó que "estamos muy desilusionados que esta materia no haya sido aprobada en el Congreso, pero seguiremos intentando obtener esa facultad, sobre todo cuando la intención es continuar teniendo un comercio dinámico y obtener un acuerdo bilateral con Chile, que es un buen socio. En todo caso, los lazos comerciales con Chile seguirán creciendo aun cuando no tengamos esa legislación".

McLarty reconoció que el tema del *fast track* será uno de los elementos que se utilicen en las campañas eleccionarias para la conformación del nuevo Congreso de Estado Unidos que se desarrollará este año, "**pero mi buen amigo, el ministro Aninat, lo ha dicho muy bien: generalmente las elecciones son determinadas por temas que tocan las vidas de las personas y en ese contexto se debe entender que estamos inmersos en una economía mundial en la que no podemos quedar fuera**".

**PHOTOCOPY
PRESERVATION**

Cont. LA EPOCA
March 2, 1998

CLINTON LIBRARY PHOTOCOPY



Thomas McLarty.

CLINTON LIBRARY PHOTOCOPY

PHOTOCOPY
PRESERVATION

Thomas McLarty se reunió con ministro Aninat

Una reunión con el ministro de Hacienda, Eduardo Aninat, sostuvo anoche Thomas McLarty, representante especial del gobierno estadounidense, en la que se refirió a la situación de las exportaciones chilenas en el mercado norteamericano.

En el encuentro discutieron además los temas económicos y sociales que incorporará la agenda del Presidente Bill Clinton en la próxima Cumbre de las Américas.

Consultado McLarty acerca de la situación de los exportadores chilenos en el mercado estadounidense, éste aseguró que su país es imparcial.

"Pienso que, como Estados Unidos es el mercado más libre del mundo, es de verdad imparcial. Ello también es importante y consistente con la economía global", declaró.

Thomas McLarty regresó anoche a los Estados Unidos, luego de su visita de dos días a nuestro país.

CARTAS

**Dirigentes
empresariales y
ALCA**

Señor Director:

En relación al artículo "Dirigentes empresariales insisten en vigencia 'del tema ALCA' para próxima Cumbre de las Américas" (2—III), deseo puntualizarle que el consejero del Presidente Clinton y representante especial de la Casa Blanca para América Latina, Thomas McLarty, no hizo declaración alguna que indicara que "el lanzamiento formal de las negociaciones para crear el Area de Libre Comercio de las Américas, ALCA, pasó a segundo plano".

Por el contrario, en una conferencia de prensa ofrecida el día sábado 28 de febrero, el señor McLarty se refirió al ALCA indicando que "creo que hemos alcanzado un genuino, amplio y profundo consenso para el lanzamiento completo de las negociaciones para alcanzar el objetivo de la Cumbre de Miami de establecer un Area de Libre Comercio de las Américas para el año 2005. Y yo creo firmemente, con mucha convicción, que ese lanzamiento de las negociaciones debería ocurrir en la Cumbre de Santiago..."

Asimismo, en la entrevista publicada por "El Mercurio", el 1º de marzo, el señor McLarty fue muy claro al señalar que "el tema (del comercio) estará presente en la Cumbre con dos pilares fundamentales: un muy fuerte y exitoso

lanzamiento del Area de Libre Comercio de las Américas (ALCA), un paso muy importante hacia el objetivo de crear una zona de libre comercio en el 2005, y la consolidación de la cooperación económica en temas como instituciones financieras, transparencia, estándares de regulación, continuando con la labor realizada por los ministros de Hacienda, que se reunieron aquí en Santiago".

Durante su visita, el señor McLarty, al contrario de lo que afirma "La Segunda", no pasó por alto el tema de la "liberalización comercial". De hecho, él respondió extensamente una consulta sobre ese punto durante la conferencia de prensa del sábado y, posteriormente, contestó varias preguntas sobre la materia formuladas durante la entrevista con "El Mercurio".

Kathleen A. Brion

Consejera de Prensa y Cultura
Embajada de EE.UU.