Case Number: 2009-1155-F

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POTUS [President of the United States] Trip to Chile (for Summit of the Americas) and State Visit, April 15-19, 1998 [5]

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Original OA/ID Number:
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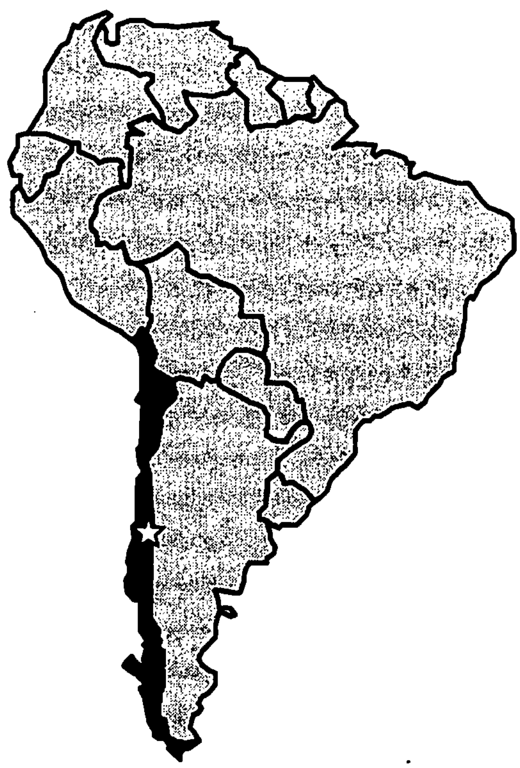
President Clinton's Trip
to
Chile

April 1998



PRESS KIT

President Clinton's Trip to Chile
State Visit and Summit of the Americas

PRESS KIT CONTENTS

THE PRESIDENT'S TRIP TO CHILE
STATE VISIT AND SUMMIT OF THE AMERICAS

SANTIAGO, CHILE

Nestled in the majestic Andean mountain range, Santiago is the capital city of Chile and a thriving metropolis of nearly 5.2 million people. Santiago epitomizes the geographic diversity of this mountainous, coastal country: few capital cities in the world can boast of easy access to both ski slopes and beaches. Modern ski lodges and famous beach resorts, such as those of picturesque Viña del Mar and Valparaiso, can be visited in the same day. Outside the bustling city, idyllic rural villages dot the countryside, many situated among Chile's world renowned vineyards. Casablanca, the President's destination on the second day of his state visit, is one such village.

The Santa Lucia Hill at Santiago's center is an important historic landmark. It was here, at the foot of the this hill formerly known as the "Huelen", that the Spanish conquistador Pedro de Valdivia founded the city on February 12, 1541. He planned the city according to the traditional Spanish checkerboard layout which is still evident in Santiago's downtown area today. The Plaza de Armas is also noteworthy; many of its surrounding buildings have historical significance. The Metropolitan Cathedral, on the western side of the plaza, stands where the first church built in Santiago once stood. On the north side, the post office, National Museum of History and town hall can be found. In the days of the Republic, modern neighborhoods (now traditional ones) developed around the colonial Santiago of the 16th century. By the 1930s, modern Santiago, with its urban parks and contemporary architecture, emerged.

THURSDAY, APRIL 16, 1998
SANTIAGO, CHILE

Arrival Ceremony
La Moneda Presidential Palace

The President and First Lady arrive at Comodoro Arturo Merino Benitez International Airport early Thursday morning and will review the Chilean Honor Guard before departing for La Moneda Presidential Palace. La Moneda is the site of the State Arrival Ceremony and many of the Summit events. Originally constructed in the late 1700's to house a mint (hence its name, which means "coin" in Spanish), it was the largest building in the Spanish colonies at the time. La Moneda has been the site of many important events in Chile's history and today houses key offices of the presidency. The State Arrival Ceremony will take place in the palace's Canon Courtyard.

Bilateral Meetings with President Frei of Chile
La Moneda Presidential Palace

Consultations between President Clinton and President Frei will follow the State Arrival Ceremony. These bilateral discussions will touch upon all issues of mutual concern, from improving access to quality educational opportunities to expanding hemispheric trade. An equally important item on the agenda will be discussion of environmental protection and advancing the climate change accords adopted at the Kyoto conference last year. During the Presidential meeting, U.S. and Chilean Cabinet Ministers will sign a host of bilateral agreements, which serve to expand cooperative efforts and deepen the healthy relationship between the two countries.

Tour of South Santiago Neighborhood
Discussion with Community Members
San Miguel/ University of San Andrés

The President's afternoon will be spent touring the working-class neighborhood of San Miguel in South Santiago and participating in a "kitchen table" discussion with community leaders who have worked toward improving the economic, educational and business capacity of the neighborhood.

San Miguel epitomizes President Frei's successful efforts to renew urban areas by stimulating microenterprises. The Summit of the Americas seeks to duplicate such success throughout the hemisphere by expanding the Inter-American Development Bank's small business activity and improving access to credit, training, and technology for microenterprises.

The University is operated by the St. Paul Foundation, a not-for-profit organization specializing in education. Similar to our community colleges or vocation schools, the University focuses on developing the skills needed to start and run small businesses. The President, along with the

Mayor of San Miguel, will lead a discussion with select members of the local community on how micro-enterprises have contributed to their neighborhood's development.

American Chamber of Commerce
Santiago Municipal Theater

After meeting with members of the San Miguel community, the President will address American and Chilean business leaders at the Santiago Municipal Theater (Teatro Municipal). The Theater is the heart of Santiago's cultural life, hosting performances of opera, ballet and major concerts. The building was originally designed by Brunet des Baines, the same French architect who designed the old Congress building, in 1853. It seats approximately1,200 people.

Following introductory remarks by the President of the American Chamber of Commerce, a representative of Chile's leading business association, and President Frei, President Clinton will address the assembled business leaders. This speech offers the opportunity to not only applaud Chile's broad-based economic prosperity and voice continued U.S. support for free trade between the two countries and throughout the hemisphere, but also to call for increased trade liberalization, economic integration and the importance of ensuring all citizens benefit from the global economy.

State Dinner

The President returns to La Moneda for a State Dinner Thursday evening. The President and the First Lady will join President and Mrs. Frei at the table of honor, which also include the President of the Supreme Court and the Presidents of each house of the Chilean Congress. Approximately 400 other guests are expected, including most of Chile's political and economic leaders.

FRIDAY, APRIL 17, 1998
VALPARAISO, CHILE

Address to Joint Session of Congress
Valparaiso, Chile

On Friday afternoon, the President will address the Chilean Congress in the coastal city of Valparaiso, west of Santiago. The building housing the Congress was constructed by the during the return to civilian rule and the re-establishment of Chile's legislative branch was in 1990.

Upon arrival, the President will be greeted by the President of the Senate, Andrés Zaldivar, and the President of the Chamber of Deputies, Gutenberg Martínez. The President will deliver his remarks to the two assembled house of Chile's bicameral legislature from the "Hall of Honor."

Visit to Casablanca Rural Village

Following his address to the joint session of Congress, the President will visit the Chilean farming town of Casablanca, a quiet community of 11,500. Although a tobacco factory is located just outside town, the primary industry in Casablanca is wine. Two U.S. companies, Kendall Jackson and Mondavi, purchase grapes from the area.

Founded in 1753, Casablanca is the birthplace of three 19th Century Chilean presidents – Pedro Montt, Manuel Montt, and Jorge Montt. Julio Montt, the hero of the Battle of Conception during Chile's struggle for independence, was also born here, as a statue to him testifies.

SATURDAY, APRIL 18, 1998
SANTIAGO, CHILE

Summit Opening Ceremony
Sheraton Hotel

The Santiago Summit of the Americas opens with a ceremony held at the Sheraton Hotel, the site of each of the Summit's working sessions. As the host of the previous Summit held in Miami in 1994, the President will arrive after all other heads of state have entered.

Summit Session: Education
Sheraton Hotel

The first working session is dedicated to the Santiago Summit's central theme. During this session, the Summit leaders are expected to discuss the importance of education in preparing the people of the Americas for the challenges and opportunities of the next century. Particular focus will be placed upon reaffirming the Miami Summit goals of universal access to primary and secondary education and harnessing new education technologies such as those that enable distance learning.

Summit Session: Democracy, Justice, and Human Rights
Sheraton Hotel

A number of important initiatives will be announced during this second working session, all devoted to strengthening democracy and promoting justice and human rights throughout the hemisphere.

Summit Leaders Working Lunch
El Camino Real

Following the Summit's opening sessions, the President will dine with the other heads of state at the El Camino Real restaurant in Santiago's Metropolitan Park. The restaurant is set on the San Cristobal Hill, which rises directly north of downtown Santiago and the Mapocho River. On a clear day, the hill offers spectacular views of Santiago and the Andes mountains behind it.

Summit Session: Poverty and Discrimination
Sheraton Hotel

After lunch, the Summit leaders will return to the Sheraton Hotel to discuss efforts at alleviating poverty and eradicating discrimination. Chile's success at engineering economic growth while reducing poverty through market mechanisms serves as a hemispheric model in this regard.

Summit Session: Economic Integration and Free Trade
Sheraton Hotel

The first of two sessions dedicated to economic integration and free trade takes place Saturday afternoon. The two sessions will include discussions of free trade, financial reform, science and technology, energy cooperation and infrastructure development.

Summit Gala Dinner
La Moneda Presidential Palace

The Summit gala dinner takes place at La Moneda. The President and First Lady will be greeted by Summit Secretary General Oscar Pizarro upon their arrival and will join the assembled Heads of State and First Ladies for cocktails on the second floor of the palace.

President and Mrs. Clinton and their counterparts will listen to a concert in the Orange Tree Patio prior to being served dinner. The concert will include the initial orchestral and choral performance of the Summit of the Americas Anthem, Canto A La Cordillera ("Ode to the Andes"). After the concert, all will proceed to the adjoining Patio de Honor, where the heads of state will be seated at a single table. A brief choral follows the dinner.

SUNDAY, APRIL 18, 1998
SANTIAGO, CHILE

Summit Session: Economic Integration and Free Trade
Open Discussion
Sheraton Hotel

The Summit leaders will begin the day with a continuation of the previous day's discussion. An open leaders-only discussion will follow.

Summit Closing Ceremony

Following the Summit's final session on Sunday, President Clinton and the other Summit leaders will sign a joint declaration during a closing plenary session. This signing ceremony will take place in the former National Congress building, a 19th century structure that now houses the Foreign Ministry. The old Congress building, as it is known, is located in the heart of downtown Santiago, four blocks from La Moneda and two blocks from Plaza De Armas, Santiago's central square.

Remarks to U.S. Embassy Community

The President's final stop on his visit to Chile will be the U.S. Embassy in Santiago, where he will greet the embassy community and thank them for their efforts. The embassy, located in the Las Condes area of Santiago, was designed by Leonard Parker Associates of Minneapolis to be inexpensive, functional, attractive, and safe from earthquakes. The façade is built of granite quarried in the U.S., with prefinished aluminum panels (also from the U.S.) interspersed throughout.

FACT SHEET: SUMMIT OF THE AMERICAS PROCESS

In December 1994, President Clinton hosted the first Summit of the Americas in Miami, to forge a new partnership among the 34 democratically-elected leaders of the hemisphere built on democratic governance and open markets. The hemisphere's democratically-elected leaders will meet again at the Second Summit of the Americas on April 18-19, 1998, in Santiago, Chile to build on the progress made since Miami.

The Santiago Summit will advance the close partnership we have established with our neighbors and convey the opportunities and challenges of a "new" Latin America – one filled with vibrant democracies and rapidly growing markets. The Summit's Agenda focuses on the "second-generation" reforms necessary to consolidate democracy and support the free markets that Miami identified as a goal. The initiatives center on ensuring opportunities for all citizens through education, judicial reform, hemispheric security and counternarcotics cooperation, economic integration, poverty alleviation, support for micro-enterprises and safeguarding the environment. Over $14 billion in bilateral and multilateral resources will be available over the next two years to help bring Summit initiatives to fruition. In this way, it can be said of the hemisphere that democracy will deliver to all the people of the Americas.

Santiago will highlight the shared commitment to democracy and open markets that the hemisphere has demonstrated since Miami. Some of the major achievements since Miami have been the restoration of democracy in Haiti, the preservation of democracy in Paraguay and the Guatemala Peace Accords. Moreover, after the successful resolution of the Mexican Peso crisis, the hemisphere has been a model for fiscal and monetary prudence, achieving the lowest levels of inflation and highest levels of growth in two decades. Finally, the 1996 Santa Cruz Sustainable Development Summit focused on long-term stewardship with important attention on environmental matters.

In addition to its own agenda, the Santiago Summit will review progress made on the 23 initiatives set forth in Miami. In following-up the Miami Action Plan, the hemisphere has pursued common strategies against narco-trafficking and money laundering, adopted the world's first ever anti-corruption convention and prepared the technical groundwork for the Free Trade Area of the Americas (FTAA). Governments collectively launched new efforts in encouraging mutual security and confidence building, reinforcing capital markets and encouraging microenterprises and small businesses. New funding from the Inter-American Development Bank (IDB) supported education reform and increased access to health care for the neediest of the hemisphere's citizens. The hemisphere has also made progress on ambitious initiatives to promote sustainable energy use and development and other environmental areas.

The focus for the Santiago Action Plan will be forward-looking, with education reform the priority. The Summit leaders agree that education is the key to prosperity and the best tool for expanding opportunity for all citizens. Assistance offered by the Inter-American Development Bank and World Bank will further commitments made to improving primary and secondary education, encouraging teacher training and exchanges, developing distance learning, promoting curriculum reform and higher standards, and introducing new technologies into the classroom.

In continuing to make good on the promises of Miami, the Summit leaders will also launch negotiations to conclude an agreement on the FTAA by 2005, with concrete progress toward that goal by the turn of century. Trade Ministers have agreed to a negotiating structure and the inclusion of input from civil society, labor and environmental groups. In addition, the FTAA workplan is forward-looking in seeking recommendations from a public/private advisory group on advancing a framework for global electronic commerce.

FACT SHEET: U.S. TRADE & INVESTMENT IN THE AMERICAS

U.S. trade with the countries that will form the Free Trade Area of the Americas is burgeoning. In 1997, our merchandise exports to the hemisphere reached $286 billion, 42 percent of our global exports. In five years since 1992, trade within the Western Hemisphere has increased 58% from $375 billion to $592 billion, reflecting stronger and more interdependent economies throughout the region. U.S. exports to Latin America continue to grow more than twice as fast as our exports to the rest of the world. In 1997, Mexico surpassed Japan as our second largest export market, behind Canada, and in the second half of 1997, U.S. exports to Latin America and the Caribbean (excluding Mexico) exceeded our exports to the European Union. Altogether the U.S. supplies an estimated 40% of Latin America's imports.

Trade within and among Latin American regional trade arrangements (MERCOSUR, the Andean Community, the Central American Common Market and CARICOM) is expanding rapidly. More than 30 free trade accords have been signed in the region since 1990. Such agreements that meet WTO standards and do not create new barriers to non-participants are good for the members and good for the hemisphere. The growth in intra-regional trade has deepened regional cooperation and economic integration, and has helped to cement democratic institutions and lock-in economic structural reforms. The United States supports this trend, and looks forward to leading the process of hemispheric trade integration as the Free Trade Area of the Americas negotiations get underway in Santiago.

We continue to encourage more open investment regimes in the region. The U.S. currently has over $150 billion in direct investment in Latin American and Caribbean countries and we invested over $24 billion in 1997 alone. Our Bilateral Investment Treaty (BIT) program is providing greater protection for U.S. investors in Argentina, Ecuador, Jamaica, Panama, Grenada, and Trinidad & Tobago. We have signed new BITs with Honduras, Haiti and Nicaragua and are actively negotiating agreements with Bolivia and Venezuela.

FACT SHEET: COUNTERNARCOTICS AND LAW ENFORCEMENT ACCOMPLISHMENTS IN THE WESTERN HEMISPHERE

The comprehensive counternarcotics strategy pursued by the United States has yielded impressive results throughout the hemisphere. The Summit of the Americas builds on those successes by defining a new hemispheric alliance against drugs. A centerpiece of this alliance will be mutual evaluation mechanisms that OAS members will begin to negotiate in detail beginning in early May 1998, under the auspices of the OAS Inter-American Anti-Drug Commission (CICAD).

This year's Andean coca cultivation total of 194,100 hectares was the lowest in a decade. The 27 percent decline in Peru was the most dramatic and it brought Peruvian cultivation to the lowest level on record. Interdiction efforts to choke off the air bridge that carries Peruvian coca to Colombia are depriving Colombian traffickers critical materials and driving down the price of Peruvian coca, leading many Peruvian farmers to abandon coca in favor of alternative development opportunities. Bolivian eradication and alternative development efforts reduced coca cultivation to the lowest level in ten years. However, Colombian traffickers accelerated new coca plantings, much of it in areas where a strong guerrilla presence makes eradication more difficult and dangerous. Nonetheless, spray operations destroyed more than 19,000 hectares last year.

Key trafficking organizations also suffered disruptions. Mexican drug trafficking rings suffered the most as the Juarez Cartel lost its boss (Amado Carrillo Fuentes), the Gulf Cartel its operations manager (Oscar Malherbe de Leon), and the major methamphetamine smuggling ring one of its key leaders (Adan Amezcua Contreras). Elsewhere, a joint Peruvian-Colombian operation captured Waldo Vargas Arias, who supplied over half the cocaine base refined in to Colombia. Peruvian forces arrested long-sought drug chief Luis Molqui, while Bolivia extradited an important trafficker, Miguel Seleme Rodriguez, to the U.S.

In 1997, several countries continued the process of modernizing laws and professionalizing court systems through reforms ranging from installing more modern equipment to major changes in the way judges are appointed. The Summit will advance this process through the establishment of a hemispheric Judicial Studies Center. We have also seen progress on extradition, with Paraguay and Peru agreeing to negotiate new extradition treaties with the U.S. and continuing negotiations between the U.S. and other countries to adopt new extradition procedures.

Illicit transnational traffic in firearms, and explosives also pose a common threat to Hemisphere's public safety and democratic institutions. To meet this threat, countries in the hemisphere are working toward ratification of the Inter-American Convention to Combat the Illicit Manufacturing of and Trafficking in Firearms, Ammunition Explosives and Related material. In addition, model regulation from the OAS Inter-American Drug Abuse Control Commission to control licit commerce on fire arms is awaiting approval by the OAS General Assembly, which should occur this year. The United States already is in substantial compliance with these model regulations.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **April 13, 1998**

PRESS BRIEFING BY
NATIONAL SECURITY ADVISER SANDY BERGER,
SPECIAL ENVOY FOR THE AMERICAS MACK MCLARTY, AND
UNITED STATES TRADE REPRESENTATIVE CHARLENE BARSHEFSKY

The Briefing Room

3:43 P.M. EDT

MR. RUBIN: Okay. It's a briefing on the President's trip to Santiago by the National Security Adviser, Samuel Berger; the United States Trade Representative, Charlene Barshefsky; and the Counselor to the President and Special Envoy for the Americas, Mack McLarty. Thank you.

MR. BERGER: Thank you, Eric. I'm pleased to be joined by Charlene Barshefsky and Mack McLarty. Together we want to preview for you the President's to Chile this week, both for a state visit and for the Santiago Summit of the Americas.

I'd like to spend a few minutes describing what we hope to accomplish during this trip and how it fits into the President's focus on the Western Hemisphere. I'll also run through the schedule of key events. Mack will speak about the summit in more detail, the road traveled from Miami, and what we'll be focusing on in Santiago. And then Charlene will talk about our vital trade agenda in the Americas and update you on where we are with respect to the free trade area of the Americas.

Let me start, first of all, on the focus that the President has placed on our hemisphere over the past year. The state visit to Chile and the Santiago Summit are the culmination of a yearlong engagement with the Americas, arising from -- originating back, actually, three and a half years ago with the first Summit of the Americas, which the President convened in Miami in 1994. As you know, the President then last year went to Mexico, Central America, and the Caribbean in May, and in October went to Venezuela, Brazil, and Argentina.

The objective of these trips, of these visits is to build upon an extraordinary convergence of our hemisphere around values and interests we share -- in democracy, open market economies, and cooperation against common threats. There has been a quiet revolution in this hemisphere, and the President is determined to build upon it.

As the chart that is not behind me illustrates, but the one that's behind the one that's behind me -- 34 of the 35 nations today in the hemisphere embrace democracy and free markets, as you can see, compared to the time of the '67 and '56 summits. Now, lest you add up the numbers and say that our crack graphics squad cannot add, there obviously have been an additional number of countries in the hemisphere during this period.

Decades of civil war and coups have given way generally in the hemisphere to peace and stability. Despite the peso crisis in Mexico and the effects of the Asian financial problems, economic reforms in the hemisphere have resulted in the lowest inflation and highest growth in two decades. Forty-two percent of all US exports -- Ross Perot does this somehow easier, I don't know quite how he does it -- forty-two percent of all U.S. exports, $286 billion go to hemispheric countries in 1997. That represents a 17 percent increase in exports in 1997.

Q From when?

MR. BERGER: From the year before. Versus a 5.6 rise worldwide. And if you look at this chart, you see the extent of our overall exports that go to the western hemisphere. And quite a bit of that is to Latin America, but when you take out Latin America, Canada, and the Caribbean, it's $308 billion. The result is -- in a sense these two charts capture the two important trends of democratization and economic growth and economic market opening which resulted in the hemisphere being united as never before as we enter the 21st century.

Now, Mack will talk more about the road from Miami to Santiago, but it certainly has been a road that has been marked by a number of concrete realizations of commitments that were made in Miami. In Miami we agreed to expedite ratification of a protocol providing that any state that ceased to become a democracy would be expelled from the OAS. That was done in October '97. We agreed to initiate a process of regional confidence building. Since then we have established an OAS committee on hemispheric security. On the economic integration side, you can see from these charts, what is happening is not only economic growth but economic integration between us as and the hemisphere and within the hemisphere, within regional groups within the hemisphere.

We talked at the summit about eradicating poverty and trying to combat disease. In 1995, for example, the First Lady launched a measles elimination program. Those cases today have been reduced from 23,000 in 1994 to roughly 2,000 in the hemisphere today. In Miami we agreed to recommend that multilateral development emphasize microenterprises, microlending. The Inter-American Development Bank has adopted a five-year $500 million strategy to promote microenterprises.

In the area of the environment, there were a number of commitments made in Miami, national action plans to take the lead out of gasoline. In 1996 12 countries had eliminated leaded gas, and by 2001 there will be 20.

Those are simply illustrative of a series of the roughly 100 commitments that were made in Miami and the progress that has been made on most of them.

Now, the people in Latin America have chosen democracy and open markets, but for democracy and markets to endure they must deliver for their people. That is, their people need to understand that democracy delivers, that democracy works. They need to move beyond the basic building blocks of elections and market economics to the second generation of issues faced by all democracies, but particularly new democracies: education, rule of law, health care, worker rights, press freedom, anti-corruption. And this is precisely what the agenda and the focus of the summit in Santiago will be -- the second-generation issues that these countries face together, and where cooperation can help give democracy deeper roots. And Mack will have more to say about this in a few minutes.

On the economic integration side, the Miami Summit set forth a vision of bringing the Americas together around open markets through a Free Trade of the Americas Agreement by the year 2005. In Santiago the leaders will launch negotiations with timetables and a work plan. They will direct their trade ministers to begin negotiations with the objective of concrete progress by the year 2000. Charlene will talk more about that.

They will establish a mechanism to allow labor, the environment, and other civil groups to contribute to this FTAA process. And they will also pursue commitments to strengthen bank regulation and market oversight to promote stability in financial markets, something that since Miami we have come to learn is far more important.

Now, let me talk a bit about Chile itself, because the first two days of the trip is a state visit to Chile, and it will really give the President an opportunity to spotlight Chile's quite impressive achievements. Chile is a country that has succeeded in achieving both an increase in economic growth and a decrease in its poverty rate. Its annual growth since 1990 has averaged 6.9 percent, while its poverty rate has dropped from 40 percent in 1990 to 23 percent in 1997.

President Frei is committed to providing access to computer networks, for example, for all 1,500 secondary schools and 50 percent of primary schools by the year 2000.

The Chile of today has emerged from the turbulent and dark past that we are all too familiar with to become a vibrant democracy working to ensure that all of its citizens share in the fruits of an open market economy.

Now let me briefly just run through the schedule so you can know where you're going to be at various points. We will leave Wednesday at about 8:30 p.m. and arrive in Santiago at 6:30 a.m. in the morning -- a delightful red-eye, all-night flight.

On Thursday the President will meet with President Frei. They will finalize and then sign a U.S.-Chile communique on which we've been working. They will tour a neighborhood of Santiago and have a roundtable conversation with community leaders, which will provide an opportunity to discuss Chile's record of economic growth and poverty reduction. And then finally -- not finally, next to finally -- the President will address business leaders, which together with the event in a poor neighborhood, will provide I think the two sides of the coin that we've talked about so much; that is, economic growth to provide opportunity, a social safety net in order to make sure that that opportunity is spread widely. And then that evening there will be a state dinner.

On Friday we will helicopter to Valparaiso, where the President will address a joint session of the Congress, in which he undoubtedly will highlight Chile's success in reclaiming its democracy and spreading the benefits of its prosperity to more of its people. We'll tour a rural area near Valparaiso, and return to Santiago.

Saturday begins the summit. In the morning most of the events will take place in the Sheraton Hotel. In the opening session the President and President Frei will make opening remarks which will be open to the press. Then they will have sessions during the day from 10:00 a.m. to 6:00 p.m., three discussions: one on democracy, one on education, one on poverty alleviation. And then that evening there will be a summit gala for leaders and spouses.

And then on Sunday the summit resumes at 9:00 a.m. at the Sheraton. There will be two leader discussion sessions, one on trade, and the final one, which really has no specific agenda will be essentially an open-ended discussion. At about 12:30 the summit will conclude at the former Congress building with statements from several leaders, including President Clinton, President Frei, Prime Minister Chretien, since Canada is likely to be the host of the next Summit of the Americas.

The President will then go speak to the staff and families at the embassy, as he always does when he travels. And we will depart for Washington about 3:45 p.m. and a mere 10 hours later we will be back in Washington.

Let me ask Charlene and then Mack to speak and then we'll take -- Mack, then Charlene.

MR. MCLARTY: Sandy, thank you. The President and our administration has had a policy of sustained engagement and the intense Presidential focus that was noted in Sandy's comments for the past several years, in fact, beginning from the first days of the administration.

We are well aware, the President is acutely aware, of our history in the region from time to time, which has been marked by intervention or neglect. I think he is also keenly aware of this quiet revolution that Sandy noted, a profound change, in many ways as profound as the fall of the Berlin Wall. We have both, from time to time, used the phrase "this is not your father's Latin America," which is, I think, a good way of describing some of the changes -- remarkable changes of 34 out of 35 countries are now democratic. In Central America we don't have the United States and the Soviet Union in a Cold War battlefield or civil wars there. And in fact the export market for U.S. goods in Central America is larger than all of the former Soviet states put together.

The real story from an economic standpoint has been the taming of hyperinflation, which, of course, was the cruelest burden to those below the poverty line. Some example of that is Argentina in 1989 had an inflation rate of 5,000 percent; today it's .3 percent with a 7 percent annualized growth rate. As the minister of finance told us in Brazil when we traveled there, our inflation rate, Mr. President, is 5 percent; the difference is, that is an annual figure not a weekly one. So a remarkable economic change.

In terms of the sustained engagement, our goal is to create what we have phrased as a Greater Americas, based on mutual trust, respect, and reward. And we have certainly discussed with the American people about our views regarding Latin America. After all, we are the fifth largest Hispanic nation in the world, the United States, and in turn, to sharpen and improve their views of us.

Sandy has already noted the first-term record of the convening of the summit -- restoring peace in Guatemala, as friends of that process; restoring democracy in Haiti; the support of the Mexico peso crisis; and the passage of the NAFTA; as well as the two presidential trips to the region, including two summits with the Central American leaders and the Caribbean leaders.

The Vice President has traveled to the region five times, emphasizing economic growth and environmental stewardship. The First Lady has traveled to the region four times, emphasizing issues of health care, poverty, and including all aspects of women's inclusion in society as well as indigenous people.

Now, the Miami Summit affirmed what is called the first generation of reform, which are free and fair elections, stable and open economies. And I think it's fair to say an architecture was put in place to further that progress, and one of the centerpieces -- not the only, but one of the centerpieces was the Free Trade Area of the Americas by the year 2005.

We have made real progress on that road from Miami to the promise of Santiago, but the key point here is that progress is not assured and not guaranteed. It is critical in my view, as someone from the private sector, to have a second generation of reform in order to sustain the first generation, the macroeconomic reform.

I think most of us would agree the bright line between foreign policy and domestic policy has blurred. You'll see that at this summit. From a U.S. perspective, whether it's jobs, the economy, energy prices, gasoline prices with summer vacations coming up, education, fighting the drug trade, alleviating poverty, or protecting the air we breathe, the issues we will discuss at this summit are the issues that affect our citizens and families here at home. They are issues that our people care about and care about deeply.

The summit agenda will very much follow the Miami agenda: first, strengthening our respective democracies; secondly, trade and economics, including financial coordination, which I think should be emphasized and highlights; thirdly, addressing poverty; and fourth, of course, emphasizing education. We'll certainly try to marshal resources, particularly where we have leverage in the multilateral organizations -- the Inter-American Development Bank, the World Bank, the Pan-American Health Organization -- particularly focusing those resources on education.

I think in terms of education the emphasis to strengthen the resources devoted in Latin America to primary and secondary education is particularly important to strengthen their democracies and their economies. There are clearly dramatic changes in terms of distance learning taking place throughout the hemisphere and indeed the world and our own country. And some of the same issues, including resources, teachers in the classroom, size of the classroom, and so forth, will be very much discussed at the summit.

I think it's a fair question to ask, how is improving education in Latin America going to help people here in the United States? I think the answer is, good schools make good neighbors. Education advances our economic and security interest in the region. First, it expands the middle class that buys U.S. goods and services that are noted on this chart. Secondly, it reduces the opportunity to buy or sell illegal drugs to be part of that undercurrent and undertow. It reduces illegal immigration by encouraging people to stay at home with their families, and it makes for more stable democracies, and with partners who are ready and willing and able, as they have demonstrated, to stand by us not only in the hemisphere, but in terms of our peacekeeping efforts in Bosnia and our efforts in the Persian Gulf.

You have a number of presidents who have spent a number of years devoting their efforts to education, including President Clinton. President Cardoso has been a lifelong teacher and academician, as has his wife; President Zedillo a former Minister of Education; President Frei, President Figueres and others have talked about and been dedicated to educational reform for at least a decade, if not longer.

I think all of us would agree in this global economy, which Ambassador Barshefsky will talk about, the key to inclusive growth both here in this hemisphere and worldwide, is education. And in many ways I think that will be the legacy of this summit.

In terms of democracy, I think we will see an emphasis on broader democratic participation, certainly the strengthening of the judicial system in Latin America -- a fair, open professional judiciary is key to any modern contemporary working democracy. Attorney General Reno, Justice Breyer have worked very diligently on this effort.

Press freedom -- something important specifically to all of you in this room, is an issue we have pushed, encouraged, and the President raised it when he went to Argentina on our last trip, and the hemisphere embraced it. And through the inter-American human rights part of the OAS, no new bureaucracy, we will establish, I think, at this summit a special rapporteur to advocate for freedom of expression.

Now, that may be perhaps even more important than just the fundamental tenant of freedom of expression, because over the past 10 years 200 journalists have been killed in Latin America and some in the United States in pursuit of a story, doing their job professionally and responsibly. And I think this effort will clearly help address these crimes of impunity.

I think, finally, corruption is certainly a very important issue in the hemisphere. The hemisphere is leading the way with the signing of the Corruption Convention over a year ago, and that measure, as I think was announced here, has been sent to our Congress for ratification.

The region clearly still has too much poverty -- over 150 million below the poverty line, despite the progress that Sandy noted. And these targeted issues, while they can be viewed as rather mundane, are critical for including everyone in an open-market democracy in terms of microcredit to small business -- which I certainly can identify with coming from a small business, a family-owned business -- land titling; and certainly women's issues and inclusion in the economy and the democracy.

In terms of the economic issues, Charlene will speak to the trade issues specifically. I'd just like to note a couple of things very briefly. First of all, we should look at not only trade, economic integration, which is obviously occurring in a rather dramatic way, but we should look also at investment and we should look at financial coordination, that is. the stability of the banking system and the financial markets. We've seen what can happen seriously in Mexico, in this hemisphere, when that does not take place in the right way, and certainly in Asia. And I think Latin America in many ways has become a model to emulate there, as opposed to avoid, and has shown a remarkable resilience in the face of Asia contagion because they've had the capacity and the will to act in relatively modern financial systems.

In terms of energy on the economy, three of our four top energy suppliers are from this hemisphere. And I think all of us understand the relation to energy prices, inflation, and our overall economy.

In terms of the FTAA launch, there is a true consensus we'll have a comprehensive and a credible launch, and that should not be taken for granted and it should not be minimized. The importance of it I think is very clear, with 40 percent of our exports going to this hemisphere, with our exports growing twice the rate to this hemisphere as any other region in the world.

One fact, as a business person, about half of the population in Latin America is under 21 years of age. So if you project that market potential out in a natural market, the numbers obviously become very compelling and very important. We export more to Brazil than we do to China, more to Chile where we are visiting than we do to India.

In terms of the summit process, I think the region has found its voice on the world stage. We have a much more mature dialogue in the region than in any times, I think, in the past. I think it is time to put our consultations on a more regular basis and I think this Santiago summit will accomplish that. We'll schedule the next time and place for the next summit meeting. I think the agenda has been one reached by consensus and I think, in that regard, we have a common agenda. The issues that we address in Santiago are issues that matter to the American people and to the people throughout the Americas.

I think the real opportunity of Santiago is to change the very shape and nature of the character of our relationship in the hemisphere, and to have truly a foundation for both security and prosperity as we move toward the 21st century.

AMBASSADOR BARSHEFSKY: I'll try and be brief. We've talked about the political declaration that the leaders made in 1994 at Miami, that there should be a free trade area of the

Americas. As important as that political declaration was in 1994, the formal launch of these negotiations following three and a half years of preparatory work, ensures the realization of the Miami vision. There will be a free trade area of the Americas. A comprehensive launch will be initiated in Santiago, along with all that that implies.

And let me tell you what has been agreed. First off, the entire negotiating structure from here to 2005 has been agreed. The first three years of the process will be hosted by Miami. The final two and a half years of the process will be co-chaired by the United States and Brazil. We in the United States were very concerned about this launch that is in the start and the conclusion, because there are two parts of a negotiation that matter, and only two: the setup in the beginning, and the end.

The middle will always go as the middle goes -- up and down, sometimes fast, sometimes slow, the trajectory is usually positive. But the setup is very, very important, and that's Miami. And the conclusion, by co-chairing with our other major hemispheric partner, ensures that we will indeed conclude the agreement on time.

We have also agreed on concrete progress by 2000. I think this will largely be reflected in the negotiation and adoption of a series of business facilitation measures. Let me give you some illustrative examples of what that might encompass: customs, meaning customs coordination, meaning paperless entry with respect to customs; a series of provisions related to government procurement and transparency in government procurement -- there is very little transparency of the process in our hemisphere now; services trade, I think we'll see some progress there of a very concrete nature. I also think we'll see some progress with respect to telecommunications trade and some other areas.

We have also for the first time established a committee within the FTAA itself to receive the views of labor, environmental NGOs, and other groups who obviously have a stake in the outcome of the process. The setting up of this committee is really rather a milestone in the history of the FTAA thus far. Our hemisphere has been reluctant to establish a committee within the FTAA to listen to the views of civil society broadly and to take those views into account in the course of the negotiation.

This year there has been rather -- I should say over the last several years -- there has been rather a change of attitude, and I think a growing recognition in our hemisphere that people -- all segments of society -- need to feel empowered by this process of hemispheric integration, not disempowered by it. And so we have for the first time now established a committee within the FTAA to be chaired by the ministers themselves, that is to say, by those most responsible directly to their political constituencies, to take into account these views and to translate these views, where appropriate, into negotiating objectives.

In addition to, as Mack said, a credible launch, the launch will be very comprehensive, covering all areas of trade and covering areas of trade we can project into the future -- so global electronic commerce now figures prominently on the agenda, as it should, since Internet usage in our hemisphere has the highest rate of usage, the highest growth rate in the world, including in Asia, interesting.

Economically, as you know, the markets of Latin America are the most dynamic, and the most dynamic export markets for us. And let me just add for your use a couple of extra numbers. As Sandy Berger said, in 1997, our exports for Latin America and the Caribbean grew more than three times as fast as our exports to the rest of the world. During the second half of 1997, we exported more to our hemisphere than to the entirety of the European Union.

In 1997, Mexico surpassed Japan as our second largest trading partner. Think about that a minute. Mexico has an economy one-twelfth the size of Japan. We sell more to Mexico than we do to Japan, and they have now surpassed Japan as our second largest trading partner.

And last, our export increases to the Western Hemisphere accounted for 63 percent of our export growth worldwide in 1997. That is to say, 63 percent of the growth in our exports globally stayed in our hemisphere, went to our hemisphere. And much of that is accounted for indeed by Canada and Mexico.

Let me just say in closing that because of the economic transformation in Latin America, including, as Mack pointed out, reigning in hyperinflation, you have 500 million consumers, a burgeoning middle class, and extraordinary opportunity for American exports. And this is exports in all of the categories that we see, and in all of these categories we've experienced substantial growth already -- and that is in goods, in services, in agriculture as well.

You also have a wave of privatization in our hemisphere, and as we look at areas like power generation, energy, telecommunications, the United States is well poised to capture those opportunities as well. And this range of opportunity will be enhanced substantially as Latin American barriers come down. Their tariff barriers alone average four times what ours are to their products, and non-tariff barriers in Latin America remain a persistent problem. So we see a substantial expansion of opportunity for the United States as we pursue the FTAA.

And by opportunity, of course, I mean U.S. jobs, because that's what the bottom line is here from our point of view. We already have an economy in which, of new jobs created, one in five depend on exports. One in five new jobs are in manufacturing and dependent on exports. And we know that exports pay on average 15 percent more than non-export related jobs.

Our future in terms of increasing U.S. economic growth is in exports; it is in opening markets abroad where the other 96 percent of the world's population lives, and most particularly, in our hemisphere, which we ought to view as our neighborhood. We need to remain well-positioned to capture that opportunity, and that is what the FTAA will do.

MR. BERGER: Questions. Have we worn you down?

Q -- have you been able to convince the labor unions that this is such a good thing for them?

MR. BERGER: We will obviously be consulting as we go along in these negotiations with labor and business, with Congress and all other affected segments of society, to convey what I think is clear, and that is that the future of America's economic growth and a greater production of jobs is going to come in greater trade.

Q How far can you negotiate until you need fast track? How many months or years until you absolutely --

MR. BERGER: Let me answer and then I'll ask Charlene to answer. We launched the Uruguay Round of the GATT negotiations -- in Uruguay, by the way -- (laughter) -- without fast track authority, and did not have fast track authority for over two years in those negotiations. Obviously, as we come to the conclusion -- or before we get to the conclusion of these negotiations, that is something that we will need to have, and it's something the President is deeply committed to obtain, and we will continue to work towards that objective. But I don't think it is necessary for the launch of these negotiations.

Charlene.

AMBASSADOR BARSHEFSKY: Yes, if I might say, I think the fast track question points up to a kind of split dynamic that's occurring in our hemisphere. The launch of these negotiations is as well positioned as it could possibly be. That's with or without fast track. We have precisely the launch, the scope, the U.S. at the center of it, that we want it to have, and that we would have had whether we had fast track now or not.

But what you see in our hemisphere, on the other hand, is an acceleration in sub-regional integration -- that is, in countries integrating with each other around the United States, not with the United States. And so you see an acceleration of ties between Mercosur -- that is, Brazil, Argentina, Paraguay and Uruguay -- and the Central American countries. An acceleration of the ties between Mercosur and the Andeans; an acceleration between Canada and Chile; between Chile and certain of the Central Americans; or between Chile and Mexico; Mexico and Mercosur; the EU and Mercosur; Asia and Mexico.

That acceleration has occurred, I believe, because countries see a potential window of opportunity that they might not have envisioned had the U.S. had fast track right now. That's not from our point of view an overly positive development. We don't object to these sub-regional arrangements, obviously, where they expand trade, as most tend to do. But we do want to ensure that the United States remains at the center, as the center of a constellation of trading relationships. The FTAA launch helps us reassert that central role, but the acceleration of sub-regional integration is something I think we have to look at very carefully.

Q When do you need to have fast track, though? The launch is next week, but obviously, you're going to need -- and it looks now like the administration is not going to even push again until next year.

AMBASSADOR BARSHEFSKY: We have said all along that the timing of fast track depends on two things -- one is the substance, and the second is the chemistry, both of which we continue to consult with Congress on. And, as Sandy has said, fast track remains a priority for this administration.

Q -- going to be embarrassing, really, because this was the goal, wasn't it -- to have Chile on board for a NAFTA thing? It sounds like everything you've said is a rationale of trying to get around the fact that you failed in --

MR. BERGER: I'll say a couple of things, Helen. First of all, what we set out to do in Miami in 1994 was to launch a free trade area for the Americas, a negotiation at this summit; we're going to do that. And those negotiations will proceed vigorously.

There is, in addition to that, obviously more to this summit, as there was more to Miami, than trade. And I think one of the things that I've talked about, Mack has talked about, are the other issues that increasingly are important to the quality of democracy and the quality of society in these countries. Obviously, to take full advantage of the growth in this hemisphere and to reach fruition in a free trade agreement we will need to have fast track authority. But I believe we will have it.

MR. MCLARTY: Sandy, let me just reenforce a couple of points there. First of all, I think the Miami summit, it should be restated -- if the centerpiece, as many suggested, was the establishment of the FTAA with Chile having a comprehensive trade agreement, the heart of the Miami summit was democracy -- the 34 countries that had moved toward democracy; indeed, established political liberty and democracy. And they are two sides of the same coin.

Secondly, I think we should keep agreements in perspective. What is driving this process and these numbers are not trade agreements. What is driving this process is the interconnective global economy and the private sector, both businesses large and small, and ultimately the consumers' knowledge of and desire for lower priced, competitively priced goods and services.

So I think Helen, had the President and the administration -- and I have heard this on my some 40 or so trips to Latin America -- not made a concerted effort to achieve fast track, then I think you would have some concerns and problems. I think it is well recognized in these democratically elected governments that, as we discussed earlier, our batting average on legislation and trade legislation is very good. They have their own Congresses, and they're not always successful in a perfectly straight line either.

So I think what is important is to move forward with momentum on this agenda, as Ambassador Barshefsky has noted. And finally, I would suggest the actual summit agenda, which was reached by consensus, was actually essentially agreed upon in large measure over a year ago, well before the fast track vote even took place.

Q Ambassador Barshefsky, you said that the United States is at the center of this process. In Santiago, Brazil will be signing a number of trade agreements, and the President won't be signing any. I wonder, most commentators seem to think that Brazil is now at the center of this process. How do you avoid having the President look like he's become superfluous?

AMBASSADOR BARSHEFSKY: Well, should I start with the fact that we're a $7 trillion economy? The United States will always be at the center. But your question goes exactly to the point I made before, which is you see an acceleration in the coming together of sub-regional arrangements to the exclusion of the United States. And this is really where fast track becomes important -- not for the launch; the Uruguay Round was launched without fast track and we're well positioned here, excellently positioned here with respect to the launch of the FTAA negotiations.

Where the rubber hits the road is where you see other countries integrating around us, and for that we're going to need fast track authority.

I do think, now that there will be this comprehensive launch of negotiations, we will soon see countries focus their resources on that. And I think that will begin to subsume a lot of this other sub-regional activity, but for right now what you see, in this last six months especially since the fast track vote was postponed, is an acceleration with respect to the level of sub-regional negotiation. But in terms of the United States, the United States is a 7 trillion pound gorilla.

MR. MCLARTY: One quick thing, I think the negotiations are not win-lose. I think the FTAA is clearly a win-win proposition, and I think the markets are indeed very complementary of each other. I think we see that in terms of resources -- I spoke of energy -- and of investments in the region, which Charlene spoke of, infrastructure projects -- so I want to make sure when we talk about the center of what we do need to have is the position in the launch, which we have, to shape the agreements, particularly on issues that are important to us and the American people.

Q Is Pinochet going to attend the Congress, the National Congress event on Friday? Do you know what to expect?

MR. BERGER: We don't know whether he will.

Q Have there been conversations with Chilean officials about whether he's going to come?

MR. BERGER: I know it's been a subject of some discussions at the advance level, but I have no idea whether he's going to be there or not.

Q Will that affect what the President says if he's in the audience?

MR. BERGER: No, he will say the same thing whether he's in the audience or not. Chile is a democracy with a glorious recent history of having reclaimed its democracy, and I can assure you that what the President says will not be affected by whether General Pinochet is in the audience or not.

Q And what bilaterals is he going to have on the sidelines of this summit?

MR. BERGER: Not absolutely clear because of the nature of this. This is a little bit more like -- for those of you who were on the Africa trip -- Entebbe in a sense than a situation where there will be formal bilats. There will be opportunities in the breaks for the President to sit down with President Zedillo, Prime Minister Chretien, and a number of others. It will be somewhat more informal.

Q What about -- will he have a special message about Paraguay's recent turmoil over the elections there?

MR. BERGER: Our message will be the same as the message of all of the countries that are in the region -- Argentina, Brazil, Chile, and others -- which is that we hope and expect that constitutional democracy will be upheld in Paraguay.

Q Sandy, two of the subjects of the summit are education and combatting poverty. What is the United States going to do concretely on those issues? Are there going to be commitments of money or --

MR. BERGER: Well, on education there will be commitments, not only in terms of multilateral funding but also bilateral commitments as well. I'll let Mack, perhaps, speak more specifically about it. Go ahead, Mack.

MR. MCLARTY: John, I'll get you the precise figure. I think your question is on point in terms of marshaling resources and leveling and leveraging the multilateral agencies, particularly the Inter-American Development Bank and the World Bank and both President Iglesias and President Wolfensohn will be in attendance at the summit. I think the AID has had an active program in the hemisphere; as you know, they will continue that with somewhat reduced funding over the last several years, but targeting that funding, particularly in terms of the poverty efforts.

But I think what you will see is a continued, concerted, focused, and effective effort on the part of the governments, both at the federal, state, and local levels in Latin America, take full advantage of these expanded resources. And I think you will see their efforts in terms of poverty alleviation to be quite effective and to be sustained efforts. We obviously want to be fully supportive of that.

In terms of education, there will be a number of memoranda of education agreements signed with Chile, with Brazil. And Secretary Riley, of course, will be on the trip and can answer, I think, in specific detail the educational aspects that will take place at the summit and with Chile.

Q I apologize if it's been asked before -- are there American business leaders going with the President.

MR. BERGER: There are not American business leaders going with the President. There of course are many American companies that have subsidiaries in Chile. The President will be speaking to the American Chamber of Commerce in Chile, as he does in a number of countries. But there -- as far as I know, none going on the trip.

Q So there's no delegation as there was to Africa.

MR. BERGER: There will be a Congressional delegation that will be going with us, as there has been in all of our trips in the second term. And we look forward to that. But I don't -- there will be no private delegation.

Q Many members of the Hispanic caucus in the delegation?

MR. BERGER: Yes.

Q Mack, you mentioned that on the economic agenda, international financial stability will be a big point in Santiago. Right after the peso crisis, the United States took the lead in international fora, particularly the G-7, to address this problem through the IMF, with greater transparency and surveillance of international banking, et cetera. And for about a couple of years, there was an awful lot of self-congratulations, that a lot progress had been made -- it's even in the Halifax and Leone communiques -- and boom, we got the Asian crisis when there had been every indication that enough prevention had taken place.

What are you going to be doing in Santiago to reassure investors and consumers and everybody else in the world that something is finally taking hold to prevent this kind of crisis?

MR. MCLARTY: Well, I think, increasingly, as I noted, Latin America has been looked at as a model to emulate, not avoid, in terms of financial institutions, central banking functions and reform of the banking system. I saw that both at the APEC conference in Vancouver, where you had Asian leaders and members of the private sector from those countries attending APEC talk to President Zedillo, discuss with President Frei, what they had done in that regard. I saw it again at the Davos Conference World Economic Forum.

While it is not perfect, clearly the leaders in Latin America have had the capacity and the will to act in terms of fiscal discipline. That's why their inflation rates have stayed under control, that's why their budget deficits are much, much smaller, I think, overall, than even many countries in Europe. And I think we will want to support an increasing and deepening of that kind of transparency and openness that the financial markets clearly judge. And I think that's why you have seen to date stable financial markets in Latin America despite a sharp decline in oil prices, where many of the economies are very dependent on oil prices.

I think you're correct in terms of the efforts the President has made to provide leadership in overall financial architectures -- Secretary Rubin and Secretary Bentsen before him and actually started at the G-7 in Naples. I think it's clear more needs to be done, and particularly reform, in a local basis in the individual countries affected, which is at the very heart of the IMF program. I think the difference is Latin America has taken those reforms and has taken very positive steps, and in some of the areas they have not.

MR. BERGER: And if you meant to ask by that question whether we would welcome Congress passing the supplemental, which would provide IMF funding and funding for the NAB, which grows directly out of Halifax and is specifically designed to provide for these kind of circumstances -- the answer is yes.

Q Sandy, also what I was wondering about was having put their house in order, as you put it -- the Latin American countries -- are you going to try and enlist them in Santiago to help you globally, have them put some pressure on Asian finance ministries and banking supervisor groups and so on.

MR. BERGER: I think this is happening informally already. In Vancouver, when APEC met at the end of last year, I think President Zedillo had an enormous impact there. In a sense, he's walked through the valley of the shadow of death, and he's come out on the other side. And he said to the leaders, there are certain rules that you've got to follow: you've got to tell the truth, you've got to take the hard knocks as quickly as you can, and you've got to restore the confidence of the markets.

I think there is beginning to be, as I've said before, a differentiation in this global financial marketplace. Not all emerging markets are alike; not all Asian markets are alike; not all Latin Americans are alike; some are more disciplined than others; some are better run than others. And I think that the time that's passed since the Asian problems began, in some ways established that degree of differentiation on the part of international investors to be a little bit more discriminating and a little less spontaneous in terms of the movement of capital.

Q While we're on international stabilization issues, Japan a few weeks ago announced a package of stimulation measures to revive the Japanese economy. But despite that, the IMF global world economic outlook today forecasts zero growth for Japan for 1998. Does that mean that they have taken insufficient steps? Are you looking for them to do anything else?

MR. BERGER: Well, I don't know what factors they took into account when they made that judgment. We have said that the steps that the Japanese government undertook last week were good steps forward but that, as we've said before, it is extremely important that that economy be stimulated and increase at a faster rate of growth -- not only for its own health but also for the overall health of the Asian economies.

Q Sandy, you just touched on drug trafficking briefly -- what progress do you expect on the idea of multilateral drug certification and on the possibility of a Latin counter-narcotics center in Panama?

MR. BERGER: Well, let me answer and then ask Mack to add. We will make progress at this summit in expanding the multilateral alliance against drugs that we began to talk about when we were in Mexico and Brazil and elsewhere. The purposes of these efforts are to increase cooperation throughout the hemisphere, both a demand reduction and supply reduction. And to the extent that we can -- and they will include an element of evaluation of the performance of individual countries. And we think this is an important step forward.

Q Could this be a replacement of certification with time?

MR. BERGER: Well, certification is an act of Congress; it's the law of the land. We obviously intend to comply with it. Both of these are directed toward the goal of enhancing cooperation in fighting drugs in the hemisphere. If at some future point the alliance were strong enough and viable enough that it were advancing that goal, obviously one might take a look at that. But I think at this point I would say they complement each other.

Q Yes, but if this certification is U.S. -- I mean, unilateral measure from the United States, and as you are trying to build a partnership with Latin America, this alternative would be the only politically correct solution on the long run, wouldn't it?

MR. BERGER: Well, we certainly want to be politically correct. As I said, both of these -- the motivation of both of these regimes is to enhance the cooperation throughout the hemisphere on fighting drugs, which is a deadly threat to each country in this hemisphere. Whether it's the United States that purchases $57 billion worth of drugs, which poisons our children, or other countries where the narco-traffickers are eating away at the very foundations of democracy, there is no greater threat we have in common. And so it is extremely important that we work on this problem together through whatever means we can. We think the alliance against drugs will be one more instrument to advance that cooperation.

MR. MCLARTY: Well, the only -- I think Sandy really has covered the subject very well. The only additional point I would make in terms of the cooperation is that from a Latin standpoint or a Caribbean standpoint, they view this deadly threat, as Sandy noted, as seriously as the families of our countries do. This is not something we are imposing are having to try to change any views. The truth is, it is a very formidable foe. So I think it calls for increased cooperation. I think that will be achieved at Santiago. The goal of cooperation, the multilateral drug alliance, and certification are the same. Certification is the law, as Sandy noted, and we'll continue certainly to abide by and enforce that law.

In terms of the Panama multilateral drug counter-narcotics center, it is an idea that has been well received, but there are a lot of issues still outstanding, and I would not anticipate that it would come to fruition at this summit. I think it could obviously be a part of a multilateral effort.

MR. LOCKHART: I just wanted to let you all know about a change in the schedule on the trip we're taking tomorrow. The President will now overnight in Houston and travel Wednesday morning to Alabama to view the tornado damage and the work that FEMA and the local authorities are doing to help with the cleanup.

The trip presents some logistical challenges to us, not the least of which is some of the people who are going on that trip are also going on the Chile trip, besides some other ones we're working through. So we will let you all know as soon as we can, possibly by tonight, on the coverage details, but I think it's important that people going on the trip tomorrow pack for two days.

Q Will he then come back here?

MR. LOCKHART: He will come back. There is a possibility that we will bring the press plane back tomorrow night and just take an expanded pool for the trip over to Alabama. We are working through those things now, but for your own comfort you should assume you're staying for an extra day.

Q Will the press charter leave at the same time from Andrews?

MR. LOCKHART: The press charter is still leaving at the same time, and that's what we're trying to work through now, how we reconcile the two things. But the press charter is still leaving early Wednesday morning.

END

4:40 P.M. EDT

PRESIDENT'S TRIP TO CHILE

State Visit and Summit of the Americas

April 16 - 19, 1998

NEWS CLIPS

The New Budget Game in Albany

The halls of the Capitol in Albany echoed with self-congratulation this week as the Legislature approved a $71 billion budget only two weeks late. In truth, the lawmakers' accomplishment was noteworthy. Not simply was this the earliest budget in five years, it resulted from the most open and participatory legislative process in modern times. Some maneuvering went on behind the scenes, but the Legislature achieved a procedural watershed that ought to be hard to reverse in the future.

The process came about partly because of a revolt by lawmakers who demanded their rights after years of being shut out by legislative leaders and their staffs. Both Assembly Speaker Sheldon Silver and Joseph Bruno, the Senate majority leader, were in a mood to listen rather than let their budget confrontation drag on until August. The one powerful person in Albany who did *not* participate was Gov. George Pataki, who is threatening to veto those parts that exceed his own spending ceilings.

When it comes to substance, we continue to be troubled by the Legislature's revision of the Governor's original estimates on spending and revenues, making $1.2 billion available for programs beyond those proposed by Mr. Pataki in January. The Legislature stuck largely to the right priorities, including more money for school construction, mental health programs, child care and the environment, but "finding" money that results from newly optimistic projections is risky. Also worrying is the tendency to enact tax cuts that balloon in size in the years ahead.

Mr. Pataki is said to be most concerned about the open-ended nature of the Legislature's borrowing schemes. The Legislature wants to issue $425 million in bonds for sports stadiums and other pork-barrel projects. More sensibly, the Legislature set aside $600 million in borrowing for school construction, day care and housing. In deciding whether to veto any of the budget, the Governor should safeguard those areas with the greatest need for funding.

The Governor has declared publicly that he is happy with the newfound spirit of cooperation and openness in the Legislature, but his resentment over being shut out is palpable. The final issues may well have to be resolved offstage in a meeting with the legislative leaders. But that would be much better than drawing up an entire budget behind the scenes. Besides, the delays of the last few years have not only been embarrassing. They have been expensive, as compromises were always achieved with the expenditure of more money. Mr. Bruno and Mr. Silver both say that now that they and their members have tasted openness and cooperation, they will never go back to the bad old days. If they want to leave a real legacy for the future, they should enact the new budget procedures into law.

Latin American Agenda

The Summit of the Americas in Chile later this week finds both Latin America and its relationship with the United States in far better health than in the recent past. Except for Cuba, which was barred from the summit, all the nations are nominally democracies. On most issues the mistrust and even hostility that once characterized Washington's relations with Latin nations have been replaced by cooperation. Still, Latin America has enjoyed a wave of elected civilian leadership twice before in this century. Insuring that this one lasts requires deepening democracy and extending the benefits of growth to the poor. There is more Washington can do on both counts.

While Washington's free-market policies have produced export-led growth, there are more poor people than ever before in Latin America. Economic inequality, already the worst in the world, is rising. Measures to fight poverty, especially through more widespread access to education, are prominent on the summit's agenda, and that of the Clinton Administration. But they are too small and scattered to be effective. Latin American budgets need to emphasize health and education, which in turn require improved tax collection. The Clinton Administration can help by promoting this agenda as vigorously as it promotes free trade.

Almost every Latin American nation now elects its leaders, but many of those leaders control the judiciary, muzzle the press, harass critics and restrict labor unions. The Clinton Administration is right to make press freedom a priority, and should work for an effective and independent judiciary as well. The regional training center for judges that Washington supports is useful, but pressure to respect judicial independence is more important.

The end of the cold war has brought a welcome shift away from Washington's blind support of repressive militaries and toward initiatives that train civilian leaders in defense issues and build relationships with them. Unfortunately, the Clinton Administration's mistaken enthusiasm for using Latin armies to combat cocaine could reverse this positive change. President Clinton should reimpose a ban on selling high-tech weapons to Latin America. The decision to lift the 20-year ban last year, taken partly to please arms manufacturers, could spark an arms race and divert money from social spending that is so urgently needed throughout Latin America.

The New York Times

THURSDAY, APRIL 16, 1998

Yankee Big Brother No Longer

U.S. Influence Slackens at Hemispheric Trade Summit

By Anthony Faiola
and Steven Pearlstein
Washington Post Foreign Service

A1

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

More than any other issue on the table here this weekend, the quest to create a Free Trade Area of the Americas from Alaska to Tierra del Fuego by 2005 underscores the new, more equal relationship forming between the United States and Latin America.

In developing a format for talks aimed at creating the world's largest free-trading bloc—the details of which, including meeting dates and interim deadlines are to be announced this weekend—the United States has granted significant concessions to its negotiating partners. In essence, to keep the process moving, Washington bowed to a number of demands made by the Latin nations, especially Brazil, an industrial powerhouse with an economy larger than Russia's.

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

See AMERICAS, *A28, Col. 1*

AMERICAS, *From A1*

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

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

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

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

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

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

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

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

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

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

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

The Washington Post
Thursday, April 16, 1998

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

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

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

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

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

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

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

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

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

Faiola reported from Santiago, Pearlstein from Washington.

The Washington Post

THURSDAY, APRIL 16, 1998

Cesar Gaviria

Reshaping the Hemisphere

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

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

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

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

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

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

For example, in 1996 the OAS adopted an anti-corruption convention—the first international agreement of its kind—which gives us new tools to combat bribery, illegal enrichment and related crimes.

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

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

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

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

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

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

The Washington Post

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THE WALL STREET JOURNAL
THURSDAY, APRIL 16, 1998

A Meeting of Minds, From Peoria to Patagonia

Poll Finds Yanks and Latins Often Agree on Trade, Security and Drugs

By EDWARD SCHUMACHER
Staff Reporter of THE WALL STREET JOURNAL

THE HEADS of state meeting this weekend in Santiago, Chile, to begin hammering out a trade agreement for the Western Hemisphere might be pleased to know that the people of Latin America and the U.S. are on the same free-market bandwagon.

A poll sponsored by The Wall Street Journal and 16 newspapers in Latin America also found surprising agreement on many of the hemisphere's most heated issues. For instance, Latin Americans break with their governments and join with Americans in supporting U.S. sanctions against countries that aren't doing enough to fight drugs. Many in the U.S. break with the Clinton administration and Congress, joining their Latin brethren in favor of economic engagement with Cuba and in opposing the sale of sophisticated weapons to the region.

More fundamentally, Latin Americans are embracing open economies and competition. "What surprises me are the similarities of the answers," says Jeffrey Frieden, a professor at Harvard University. "It indicates a convergence of opinion about the problems of the hemisphere. It may signal better understanding in the relations between the two continents."

Thirty-four countries are attending the two-day Summit of the Americas that begins Saturday in Santiago. Cuba, the only nondemocracy in the hemisphere, wasn't invited, and the poll shows little public support in the hemisphere for Cuba's president, Fidel Castro. Another poll finding: A sizable minority of Latins—more than a quarter of respondents—in Brazil, Mexico, Guatemala, Colombia, Paraguay and Venezuela say they prefer a more authoritarian government; a majority in Ecuador prefer a more authoritarian government. The poll shows that a large number of people in each country are troubled by violence, corruption and social upheaval.

The major item on the agenda at the Santiago summit will be negotiations for a Free Trade Area of the Americas, or FTAA, which is meant to establish a free-trade zone among the nations gathered for the meeting. Nearly 80% of those polled in both the U.S. and Latin America say they support free trade. But the numbers diverge on the specifics. While 70% of Latin Americans endorse the proposed FTAA, only half of the individuals polled in the U.S. favor it.

U.S. respondents are almost evenly split over the related issue of expanding the North American Free Trade Agreement, or Nafta, to include other countries. Currently, Nafta is a free-trade agreement among the U.S., Mexico and Canada.

The poll numbers show that many in the U.S. are uncomfortable establishing free-trade agreements with Latin America in part because they fear losing jobs to lower-wage countries. Respondents in the U.S. consider Nafta's impact on jobs and wages more negative than positive. Mexicans feel the same, and other Latin respondents say they also deem their own regional trade pacts as damaging to wages and job growth.

A plurality of those polled in the U.S., 39%, say the primary objective of U.S. foreign policy toward Latin America should be to decrease drug trafficking. Only 17% say the chief objective should be to expand economic relations.

Pollsters Peter D. Hart and Robert Teeter, who conducted the poll in the U.S., conclude: "The largest bulk of Americans don't view Latin America as a region of economic opportunity, but rather as a region with a severe drug problem."

Indeed, while more than 80% of the U.S. respondents say they trust Canada as a trade partner, only 31% say they trust Brazil. That is the highest rating any of the major Latin American countries received from U.S. respondents. In contrast, Latin Americans rate the U.S. the most trusted trade partner.

More than half of the Latin respondents agree with poll statements that the U.S. is a democratic model and a global defender of human rights. A majority favor a continued U.S. military presence in Panama to fight drug trafficking after the U.S. returns the canal to Panama in 2000.

Fifty-seven percent of Latin Americans, but only 40% of respondents polled in the U.S., say foreign investment is "good because it stimulates the growth of our economy." Lawrence Harrison, author of "The Pan-American Dream," a book about values and integration in the Western Hemisphere, calls this "a dramatic change compared to 10 years ago. Latin America was operating on a strategy that said they should be wary to work with others, especially with the U.S."

The respondents in five Latin countries prefer to develop trade with Japan rather than the U.S. Those polled in Brazil, a country with a large population of ethnic Japanese, split equally between Japan and the U.S. Argentines and Chileans, the most European of Latin Americans, prefer to trade with Europe. Indeed, while a majority of Latin Americans responding to the poll trust the U.S. as a trading partner, only 27% of Argentines do, and 44% of Mexicans.

Fully three-fourths of the Latin respondents agree with the statement: "The U.S. only pursues its own interests and interferes too much in the affairs of other countries." Notably, 61% of the U.S. respondents agree.

Within Latin America, respondents were equally split over whether the privatizations sweeping the region are good. Chileans, who were in the vanguard of free-market reform, join with other Latin Americans in favoring government ownership of telephone services, pension systems, utilities, health systems and the mining and petroleum industries. Private ownership is preferred in only two sectors: airlines and television.

John S. Dykes

The Drug Problem

RESPONDENTS WHO:	U.S.	LATIN AMERICA
Favor U.S.-imposed sanctions on countries that don't do enough to combat drug production or trafficking	72%	65%
Feel drug-producing countries are most to blame for drug trafficking	53	55
Find that the U.S. is doing its part to control the global drug problem by reducing the demand for drugs in the U.S.	49	55
Feel corruption among police, government officials and politicians makes the fight against drug trafficking difficult	22	52

Journal Link: For an expanded report and the full results of the poll, see The Wall Street Journal Interactive Edition at **http://wsj.com**

U.S. in a weak trade position for Americas summit

By Bill Nichols
USA TODAY

WASHINGTON — Today's Latin America "is not your father's Latin America," says Thomas "Mack" McLarty, President Clinton's special envoy to the region.

And as his third trip to Latin America as president begins today in Santiago, Chile, Clinton again will be trying to build support for policies that will continue the stunning growth of free markets and democracy across the region.

The problem for Clinton, in Chile for the second Summit of the Americas and a state visit with Chilean President Eduardo Frei: It is the United States that comes into this meeting being criticized for not keeping pace with its hemispheric neighbors.

The administration's failure to get fast-track trade legislation passed last fall — to give the president authority to negotiate trade deals that Congress can accept or reject but not alter — has cast a shadow on this summit.

Administration officials insist that negotiations in Santiago will move the nations toward creation of a free-trade zone throughout the hemisphere, a goal first expressed by the leaders during the first Summit of the Americas, held in Miami in 1994.

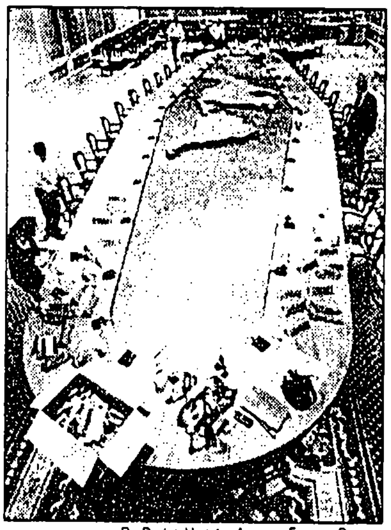
But the White House also admits that for the free-trade area to be in place by 2005, the president of the United States will need fast-track.

The reason is simple: Countries are much less likely to go through the tedious negotiations that trade pacts require if they know that a deal can be rewritten by Congress.

National security adviser Sandy Berger says that while passage of fast-track is not necessary for the free-trade negotiations to be launched, "before we get to the conclusion of these negotiations, that is something that we will need."

McLarty, a White House counselor as well as Clinton's trouble-shooter in Latin America, says Clinton is prepared to tell leaders of the 34 democratic nations in the region — Cuba is the lone nondemocratic exception, and Fidel Castro is not attending — that he still thinks fast-track can pass, perhaps even this year.

But White House aides also make clear that Clinton will emphasize other issues at this weekend's summit.



By Pedro Ugarte, Agence France-Presse
Setting up: Workers prepare meeting table for summit in Santiago, Chile.

That's meant to demonstrate that what McLarty and others call "second-generation issues" for emerging democracies — education, respect for the rule of law, press freedom, anti-drug and anti-corruption measures and the environment — should get the same media focus as trade.

Clinton, particularly in a speech to U.S. and Chilean business leaders in Santiago today, will portray a Latin America where economic opportunities are almost limitless.

Hyperinflation has been tamed, growth rates are up, and Latin America ranks as an export magnet.

"The long-lasting efforts in Latin America during the last 10 years have transformed this continent, which in the 1980s was the continent of lost growth, the ill continent of the world economy," International Monetary Fund Managing Director Michel Camdessus says.

Chile is a perfect example. The country's annual growth since 1990 has averaged 6.9% while the poverty rate has dropped from 40% in 1990 to 23% in 1997.

The case Clinton will make is that a second wave of reforms is needed to make sure economic gains aren't rolled back.

He'll urge additional spending on education, as well as establishment of a regional watchdog group to monitor press freedom.

USA TODAY · THURSDAY, APRIL 16, 1998

which is responsible for the deaths of countless thousands of Cambodians. The negotiations for the handover of Pol Pot provide further evidence the noose is tightening around the enigmatic and elusive Khmer Rouge founder.

Gen. Meas Sophea said the defense minister would meet guerrilla commander Nou Nou at the Thai border to discuss conditions for the handover.

The United States has called for the arrest and trial of Pol Pot before an international tribunal for crimes against humanity.

However, the Cambodian general said, ``We do not know what the Khmer Rouge conditions will be, if any."

Nou Nou is believed to be the chief of staff of the remaining hard-core guerrilla force, which is now squeezed up against the Thai border by Cambodian troops and Khmer Rouge turncoats.

The mutineers took over the movement's last stronghold at Anlong Veng early this month after staging a rebellion against the rigid rules of Angkar, the bizarre organization that Pol Pot created in the 1970s. He called it ``the mother and father for all Cambodians."

The Khmer Rouge commander has already said he and his men are willing to hand over Pol Pot. But Thailand's refusal to accept him apparently led to confusion in guerrilla ranks. They were reportedly told by Thai authorities to contact the International Red Cross. But the Red Cross said Wednesday that it had received no word from the Khmer Rouge.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Last year the heavy equipment manufacturer sold $1.7 billion worth of graders, scrapers, tractors and other machinery in Latin America, up from $1.2 billion in 1996.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Growth is expected to fall this year, after the Asian economic crisis that shook countries such as Brazil and Chile. For Latin American nations pounded by a series of worldwide crises beyond their control, including the 1994 Mexican peso crash, the failure to find security in globalization, or even to see much progress in combating social ills, is disconcerting.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exasperated World Leaders Urge Japan to Stimulate Economy By Merrill Goozner, Chicago Tribune Knight Ridder/Tribune Business News

WASHINGTON -Apr. 16--Finance ministers and central bankers from the world's seven leading economies spent most of Wednesday behind closed doors beseeching Japan's leadership to do more to stimulate its moribund economy.

While that follows a familiar pattern -- Japan has been experiencing a slow-to-no-growth economy for seven years, and the group known as the G-7 routinely asks its Japanese member to do more in the way of economic stimulation -- a hint of exasperation has entered the dialogue.

The fear is that only Japan's return to economic health can ensure that the financial crisis sweeping much of developing Asia won't drag the rest of the world down with it.

Financial markets snubbed as inadequate Japan's $77 billion stimulus package, announced last week.

G-7 ministers, steeped in diplomatic niceties, would never go that far. In words rarely seen at one of these regular get-togethers, the final communique concluded that ``the challenges facing Japan are serious and have intensifed in recent months."

Treasury Secretary Robert E. Rubin had hoped Finance Minister Hikaru Matsunaga would bring to the gathering further details of Japan's economic stimulus package. But it was clear that the Japanese arrived with little more than what had previously been announced.

``The critical time now has come for Japan," Rubin said at a press briefing following the all-day meeting. ``How long it will take for Japan to return to a high rate of growth remains to be seen. For now, it's more important to take the right steps."

The ministers also said there would be no help from the other advanced economies in propping up the faltering yen, which has depreciated nearly 60 percent since its high point in April 1995 to 130 yen to the dollar, a 6 1/2 year low. In recent days, Japan's central bank has intervened in currency markets by selling dollars and buying yen to keep its currency from falling farther.

If the yen doesn't get stronger, Japan will be sending a powerful signal to the rest of the world that it is trying to take its old path of exporting its way out of its economic problems. The U.S. trade deficit is expected to soar later this year.

``It is important to avoid excessive depreciation where this could exacerbate large external imbalances," the communique said. ``We support appropriate steps by Japan aimed at stimulating domestic demand-led growth and reducing external imbalances, thus also correcting the excessive depreciation of the yen."

The G-7 ministers -- from the U.S., Japan, Germany, the U.K., France, Italy and Canada -- met in Blair House, across the street from the White House. A clearly exhausted Matsunaga emerged from the all-day session and made a brief statement to reporters. ``The U.S. shares our concern about a yen that's dropped too far," he said before his aides hustled him into a waiting limousine.

There is lots of room for skepticism about the recovery plan Japan announced last week. It was the fifth plan in the last three years.

Japan's domestic consumption still hasn't recovered from three tax increases last year. Earlier this week, the IMF projected its economy to remain flat this year, after growing by less than a percent last year. Some analysts have projected Japan's economy will decline by two percent this year.

On the other hand, the communique sounded an optimistic note on the economic turmoil in Indonesia, Thailand and South Korea. The ministers ``welcomed progress toward restoration of financial stability" in those countries. As evidence, the communique noted the ``early return to the capital markets by some countries," a reference to the successful sale of bonds by South Korea.

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

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

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

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

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

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

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

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

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

``The media's growing independence has exposed journalists to different kinds of dangers," says Joel Simon, a spokesman for the New York-based Committee to Protect Journalists. ``Government officials, powerful economic actors and criminal elements, including drug traffickers, have responded to efforts to probe their activities by lashing out at the press."

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

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

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

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

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

While the OAS as a whole rarely criticizes member countries, its human rights commission enjoys greater independence because its members do not represent their governments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Presidential scholar Shirley Anne Warshaw, at Gettysburg College in Pennsylvania, said an appeal would ``keep the issue alive, which would keep speculation alive, and anytime you have speculation alive about sexual misconduct, it's definitely a negative thing for the president."

A renewed suit would add to Clinton's woes, which include an upcoming report that Starr is expected to send to Congress detailing potentially impeachable offenses committed by the president.

Part of Starr's investigation has focused on whether Clinton perjured himself and tried to obstruct justice in the Jones case. Starr is looking at whether Clinton lied about an alleged sexual relationship with Lewinsky, a former White House intern, or encouraged others to do the same.

``What should have been a small sideshow has turned into the main event, and that's bad for the country," said Robert Shapiro, a professor of political science at Columbia University.

There are signs it won't end soon.

Wednesday afternoon, Jones and her husband, Stephen, were huddled in her lawyers' Dallas office with Jones' confidant and sometimes spokeswoman, Susan Carpenter-McMillan, waiting outside.

Although she wouldn't hint at Jones' decision, McMillan offered an argument for an appeal. ``You don't dismiss a case 56 days before the trial, if you're a judge. That's for a jury to decide," she said.

McMillan said Jones' spirit had not been broken by the dismissal.

``It was devastating, but she's doing great," she said of Jones. ``She's a fighter. She's a feisty, strong little woman. Clinton exposed himself to the wrong Southern gal."

Last week, her husband said Jones was likely to appeal. And, in an interview, Jones said, ``I've made my decision, I've always known what it was going to be."

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

By JOHN M. BRODER

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

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

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

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

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

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

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

Mr. Clinton said he would continue to press for approval of fast-track authority, under which Congress can approve or reject proposed trade treaties negotiated by Mr. Clinton, but cannot amend them. The Presidential authority is considered crucial to achieve trade breakthroughs because other countries will be reluctant to negotiate trade deals with the United States if they feel Congress will change the terms after an agreement is reached.

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

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

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

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

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

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

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

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

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

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

The New York Times

FRIDAY, APRIL 17, 1998

Clinton Stresses Benefits of Open Markets

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

By THOMAS W. LIPPMAN
Washington Post Staff Writer

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

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

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

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

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

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

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

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

See SUMMIT, A27, Col. 1

SUMMIT, From A25

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

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

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

He and Frei issued a statement in which they agreed to expand bilateral cooperation on education, including development of bilingual computer software and increased student exchanges, and to support similar initiatives at a hemispheric summit conference that begins here Saturday.

The president restated his determination to obtain from Congress the "fast-track" negotiating authority he seeks to complete the hemisphere-wide free-trade agreement on which negotiations will begin here this week. Congress has so far refused to give Clinton authority to negotiate an agreement that would not be subject to amendment, but he said today that "before [the negotiators] are done, we'll have it, and it will work."

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

There is no plot by the industrialized nations to "hold others down," Clinton said. "For 30 years, every time we have sought to improve the environment, we heard from someone who stood up and said, 'If you take this step to clean the air, to clean the water, to improve the health of the food supply, you will cost jobs and hurt the economy.' And for 30 years every single step we have taken to improve the environment has helped the American economy."

With today's statement, Chile became the second Latin American country to endorse—albeit vaguely—the concept of emissions-reduction targets for developing countries. White House officials are hoping to secure specific commitments from key developing countries over the coming months as a way of softening resistance in the Senate to ratification of the international climate treaty signed in December in Kyoto, Japan.

The Washington Post
FRIDAY, APRIL 17, 1998

USA TODAY • FRIDAY, APRIL 17, 1998

Clinton tests summit speech on Chile

Tries to smooth over issue of free trade

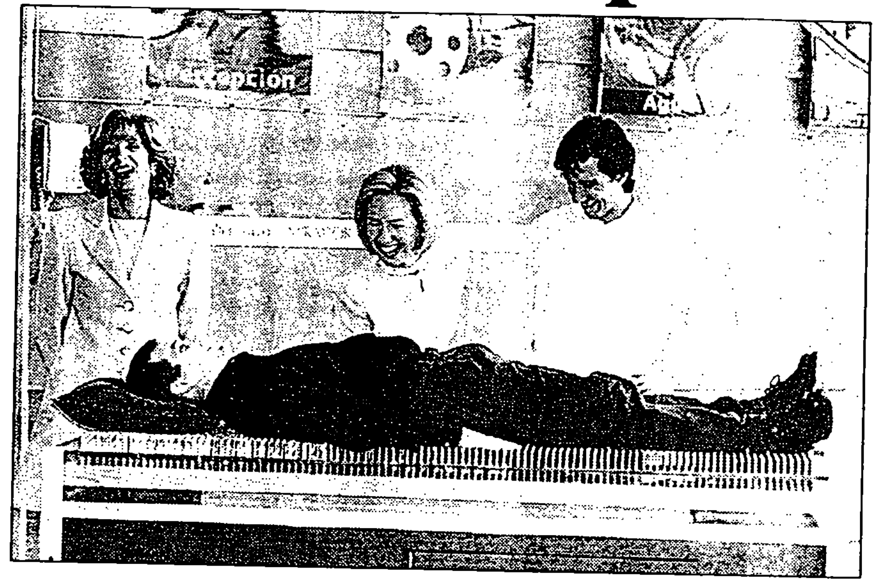
By Bill Nichols
USA TODAY

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

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

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

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



By Jaime Razuri, Agence France-Presse

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

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

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

Clinton's larger point, however, was a push for emerging democracies to stay on track. It's an idea he'll stress this weekend when he meets with 33 other heads of state for the sequel to the 1994 Summit of the Americas in Miami.

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

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

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

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

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

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

LOS ANGELES TIMES

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

Top of page:

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

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

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

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

Above fold:

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

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

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

Below fold:

Bottom of page:

Cols 1-2: Local political story.

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

Clinton, Chilean Leader Sign Accords on Climate, Economy (Santiago) By Jonathan Peterson (c) 1998, Los Angeles Times

SANTIAGO, Chile President Clinton launched his four-day Chilean visit Thursday by agreeing with President Eduardo Frei to cooperate on climate change, financial-market stability and other issues in a global economy.

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

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

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

``Be patient with us," Clinton told about 800 business leaders in a downtown Santiago theater, pledging his commitment to gaining ``fast track" authority. ``There is not a majority in either house of the United States Congress for a return to misguided protectionism."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Clinton asks Chileans for patience on trade

Promises to achieve 'fast-track' authority

By Warren P. Strobel
THE WASHINGTON TIMES

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

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

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

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

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

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

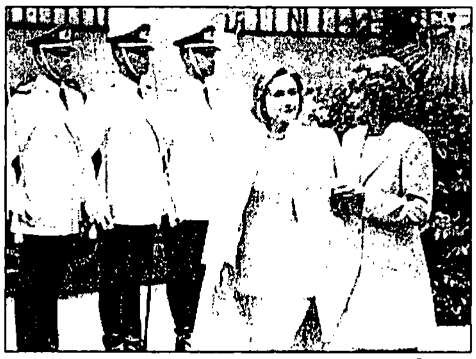
In the morning, officials offered to allow a newspaper reporter to witness the opening of a meeting between Mr. Clinton, Chilean President Eduardo Frei and their top aides, with the clear understanding that no questions be asked. The officials cited Chilean customs regarding such events, saying it would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

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

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

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

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



AP photos

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

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

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

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

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

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

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

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

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

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

The Washington Times

FRIDAY, APRIL 17, 1998

What's up in Santiago . . .

By Thomas F. McLarty III

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

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

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

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

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

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

A better-educated hemisphere is in our interests as well, for this simple reason: good schools make good neighbors. Education improves the U.S. economy by enlarging the middle class that buys our products, it encourages those tempted by illegal immigration to stay home, it stabilizes young democracies with a deeper commitment to civic responsibility, and it reduces the lure of illegal drug profits.

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

The Santiago Summit will also help establish a justice studies center and a special rapporteur to advocate for freedom of expression. Almost 200 reporters have been killed in the last ten years — 13 in the last six months — but these and other crimes go unpunished. Democracy cannot survive without a free press or an independent judiciary. We cannot tolerate intimidation of these rights, whether it be by drug lords, guerrillas, or by governments.

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

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

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

The Washington Times

FRIDAY, APRIL 17, 1998

. . . and freer trade for all of America

By Richard L. Bernal

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

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

Since then, there have been extensive discussions at the ministerial, vice-ministerial and working group levels. Only last month at a meeting in Costa Rica, the 34 trade ministers of the hemisphere agreed that negotiations for the FTAA begin before the end of 1998. This week, heads of state are meeting in Santiago, Chile to evaluate that recommendation and take the next steps toward implementation of the FTAA.

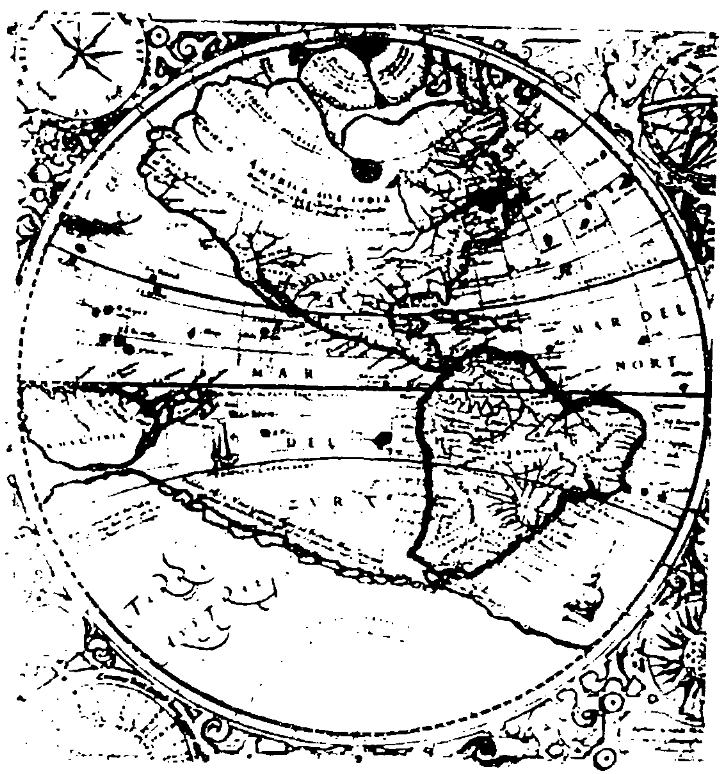
Many of the initial differences in perspective about what the FTAA should be and how to isolate it have now been resolved and negotiators are finalizing the guiding principles, structure and schedule for the commencement of negotiations. This has been a significant accomplishment given the wide differences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

The main cause of concern is that the Clinton administration has been unable to secure fast-track trade negotiating authority from the U.S. Congress. Fast track is both an enabling legislative procedure and a statement on U.S. trade negotiating goals and priorities. This authority would permit the U.S. to undertake negotiations on trade agreements, which would be submitted to Congress to accept or reject, without amendment. This provides U.S. trading partners with the confidence to proceed because it gives the assurance that what is agreed upon in negotiations would not be modified by Congress.

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

While fast track will provide some level of comfort to foreign trade officials in the bargaining process, it is not a prerequisite. Lack of fast track authority at the beginning of negotiations process, is not inimical to the eventual success of the FTAA. Negotiations for the FTAA can commence without fast track authority being granted to the Clinton administration. Such a situation is not unprecedented. At times during the eight8-year Uruguay Round negotiations, the U.S. participated without fast track authority. Yet the U.S. maintained its leadership role in launching and securing the final agreement of the WTO. As the largest economy and market in the hemisphere, the U.S. will remain a major player in the FTAA process, whether or not the administration is successful in securing fast track before the start of negotiations.

The FTAA process, which is due to be completed by 2005, can certainly proceed for several years without the absence of fast track being a major impediment, as in any event, negotiations are likely to proceed slowly. Moreover, in many areas, the mandate to show "concrete progress" by the year 2000 could be met by the U.S. without fast track. Some trade actions such as business facilitation in the area of customs automation, may not require new legislation.



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

The real danger is that those who argue that the absence of fast track will have a dampening effect on the FTAA process may be unwittingly aiding a self-fulfilling prophecy. The FTAA is not the only option for any of the participating countries or regional groups. If lift-off is stalled it could lead to "trade promiscuity" through the proliferation of bilateral and sub-regional agreements, which may create confusion and suffocate trade with the complexity of regimes and conflicting rules. There is ample basis for such concerns. Between 1992 and 1996, for example, the WTO was notified of 77 new trade agreements.

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

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

Richard L. Bernal is Jamaica's ambassador to the United States, a permanent representative to the Organization of American States and chairman of the FTAA Working Group on Small Economies.

The Washington Times

FRIDAY, APRIL 17, 1998

Tear down that trade wall

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

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

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

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

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

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

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

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

The Washington Times

FRIDAY, APRIL 17, 1998

country, the Kansas City-based carrier in recent years has been assembling a 6,500-mile system called the NAFTA Railway between central Mexico and the Midwest.

The Kansas City Southern owns 49 percent of the Texas Mexican Railway (Tex Mex), a regional carrier connecting the KCS trackage in east Texas with the Mexican border at Laredo. KCS also owns 37 percent of Transportacion Ferroviaria Mexicana (TFM), the newly privatized section of the former Mexican national railroad that provides service from Laredo to Mexico City, the Gulf Coast port of Veracruz and the Pacific Ocean port of Lazaro Cardenas.

Tellier observed thatd the trucking industry has been somewhat faster than the railroads to go after new traffic developing because of the North American Free Trade Agreement (NAFTA).

The Canadian National and Illinois Central are an 18,742-mile system stretching from New Orleans to Chicago, east through Montreal to Halifax on the Atlantic Ocean and west to Vancouver, B.C., on the Pacific.

The Kansas City Southern and Canadian National-Illinois Central systems connect in Springfield, Ill., and Jackson, Miss.

The agreement includes the systems granting each other some trackage rights on a limited number of lines, and the expansion of facilities in Dallas, Kansas City and Chicago to go after automotive traffic -- the hauling of automobiles and parts to build them -- as well as intermodal traffic -- truck trailers that can be hauled on railroad flatcars and containers that can be transferred between trains, trucks and ships.

The Canadian National was owned by the Canadian government and was mainly an east-west line across that country with a major spur to Chicago. It was sold in a public stock offering in 1995. Since then, it has been aggressively cutting costs to be competitive with U.S. railroads, and earlier this year it announced it was acquiring the IC in a merger to gain access to the Gulf of Mexico ports.

The Illinois Central is a bidder in a consortium seeking to buy a 1,000-mile section of the Mexican national railroad system between Mexico City and the ports of Veracruz and Coatzacoalcos. The winning bidder has not been selected.

The major U.S. railroads in recent years have been preoccupied in mergers among themselves -- the split up of the Consolidated Rail Corp between the Norfolk Southern Railway and the CSX Corp's transportation subsidiary. In the West, the Burlington Northern and Atchison, Topeka
& Santa Fe merged into a single railroad, and the Union Pacific Railroad acquired both the Chicago & North Western and Southern Pacific.

Widely publicized rail traffic jams in Texas resulting from the mishandling of the Union Pacific/Southern Pacific merger has enabled the KCS and Tex Mex to pick up additional traffic from unhappy shippers there. However, the Canadian National's desire to get into Mexico, not the Union Pacific's problems, was the major factor behind the alliance.

Free trade brings economic boost, trouble for environment in Latin America By Laurie Goering Chicago Tribune (KRT)

SANTIAGO, Chile Three years ago, U.S.-based Trillium Corp. voluntarily agreed to submit one of Chile's first environmental impact statements on its controversial plan to cut an old-growth forest on windswept Tierra del Fuego, at the tip of South America.

Chile, at that time, had few enforceable environmental regulations. The country's ancient temperate forests were falling at a prodigious rate to meet Japanese demand for wood chips and the strongly free-market government dismissed growing environmental outcry as an unpatriotic effort to derail Chile's internationally admired growth.

Today, however, Trillium finds the logging project, promoted as a sustainable break from destructive tradition, mired in a swamp of legal challenges, many the product of new laws designed to improve environmental protection in Chile.

The company has yet to cut its first tree and ``our investors are disappointed, discouraged and confused," said Robert Manne, president of the Seattle-based project, now renamed Savia International Inc.

``Chile's supposed to be the economic model for Latin America," he said. ``But now we have businessmen questioning whether they want to come to Chile at all."

As it rushes to embrace global free trade, Latin America, the repository of some of the world's greatest environmental resources, is running into tough new conflicts between businessmen demanding restriction-free trade and environmentalists calling for greater protection of the region's forests and minerals, which are attracting unprecedented investment from global logging and mining companies.

``Free trade is a two-sided sword," said Nigel Sizer, of the Washington-based World Resources Institute. ``It generates jobs and economic growth and increases government revenue. But the pressures on the environment clearly escalate. It's a very delicate balance and no one can say how it's going to come out" in Latin America.

President Clinton, in Santiago this week for a hemispheric Summit of the Americas meeting with other democratic leaders, emphasized Thursday at a state meeting with Chilean President Eduardo Frei that he believes improved environmental protection, rather than costing jobs, can ``lead to broader, stronger, deeper economic growth."

He and Frei signed a handful of cooperative accords, including a commitment to work together to cut emissions that promote global warming and to create a pan-American climate forecasting center to help predict problems like this year's unusually strong El Nino.

On Thursday Clinton also spoke with business leaders in Santiago and visited the lower-class Santiago neighborhood of San Miguel, where he was cheered by residents.

He plans a speech before Chile's Congress on Friday.

While there is not much expectation that this weekend's hemispheric summit will produce key environmental accords, environmentalists hope talks will address an increasingly contentious question in Latin America: Where is the proper balance between environmental protection and market freedom?

Latin America's environment has recently had anything but a banner year. Record fires set by settlers scorched large areas of Brazil recently, and uncontrolled logging continues unabated in much of the Amazon and in countries like Mexico.

Overall, however, environmental laws in the region are improving, though they are often not enforced.

In Chile, both growing grassroots environmentalism and pressure to create acceptable international norms in an era of globalization have contributed to a strengthening of environmental regulation since 1994, when the country passed its first comprehensive environmental regulation package.

Chile, the world's third-largest wood exporter despite its relatively tiny size, now requires a process of environmental impact statements and hearings for new environmentally sensitive projects.

Environmentalists have used the new rules to effectively halt progress on a variety of projects perceived as environmental threats, from Savia's logging effort to plans for a hydroelectric dam on the Bio Bio River.

``A few years ago the government saw us all as dangerous anti-development terrorists, committed to halting the growth of the country," said Adriana Hoffmann, a botanist and head of Defenders of the Chilean Forest, one of the country's top environmental groups. ``Businessmen ran Chile and not just local businessmen but international corporations."

Now, however, ``I think there are some changes in attitude," she said. ``People see that it's bad business for the country to cut everything so quickly for so little financial benefit."

Manne, whose Tierra del Fuego timber project would create 600 jobs in that economically challenged region if it is approved later this month, sees the situation differently.

``A small group of environmental extremists have used the legal system to block major development," he said. ``The message business is getting is that there's no level of certainty here."

Still, many environmentalists say environmental protections have declined since the rise of globalization, as international capital searches out countries with the least regulation and thus the lowest cost of doing business, pressuring other countries to similarly reduce protections to compete.

IMF panel urges stronger world financial standards By Merrill Goozner Chicago Tribune (KRT)

WASHINGTON Taking stock of its early missteps in dealing with last year's East Asian financial crises, the International Monetary Fund's governing committee on Thursday took another

Clinton in pledge to Latin America over free trade

By Gerard Baker in Santiago A1

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

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

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

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

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

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

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

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

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

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

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

US in deal to bolster ties with Chile

By Gerard Baker and Associated Press in Santiago

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

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

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

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

Praising Chile, Mr Clinton said: "It has become a leader in our hemisphere, and an even stronger partner and friend for the US." It had "an astonishing record" of progress in developing a strong and growing economy open to international partners.

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

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

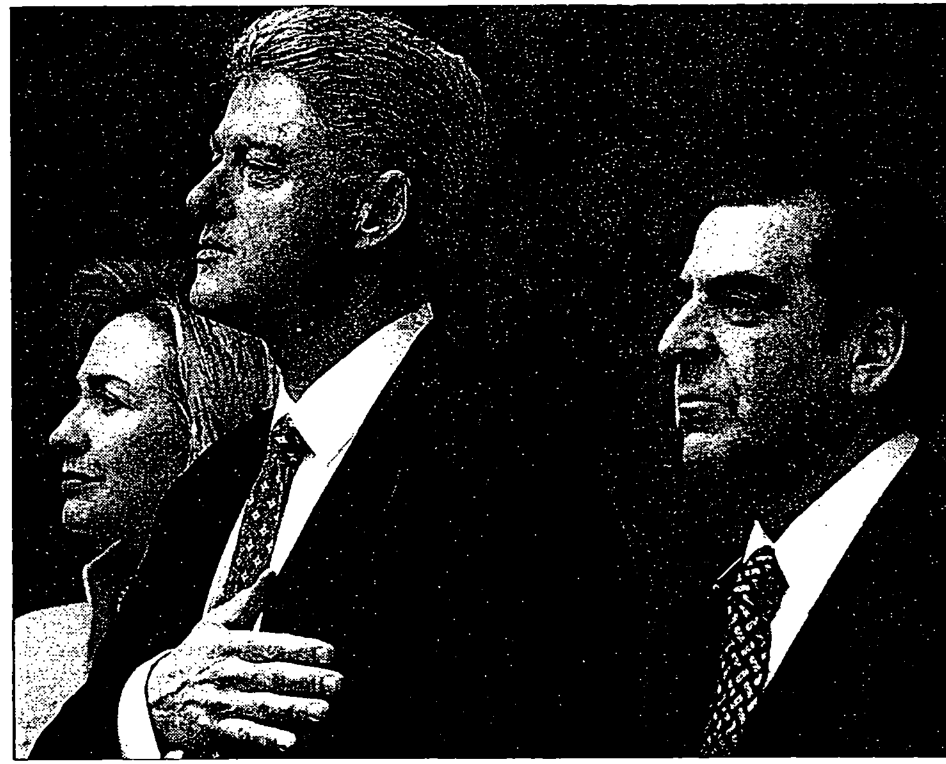
They also pledged to create a pan-American weather forecasting system so as to be better prepared for destructive weather events such as the El Niño phenomenon. Fighting corruption and drug trafficking were also discussed.

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

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

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

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



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

FINANCIAL TIMES
FRIDAY APRIL 17 1998

Clinton, in Chile, Calls for Deepening of Restored Democracy

By JOHN M. BRODER

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

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

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

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

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

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

Elections and open markets not enough, Latins are told.

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

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

"To those anywhere in the Americas who would seek to take away people's precious liberties once again, or rule through violence and terror once again, let us reaffirm President Aylwin's historic words at Santiago Stadium, 'Nunca mas.' Never again."

Patricio Aylwin, a Christian Democrat, was elected President of Chile after General Pinochet was denied a second eight-year term in a national plebiscite in 1988. Mr. Aylwin took office in 1990; General Pinochet became a Senator for Life that year but has not taken an active role in the legislative process.

The general's right-wing allies in the Congress did not react favorably to Mr. Clinton's remarks. They refused to applaud the speech and generally sat dourly throughout the President's 19-minute address.

Afterwards Hernan Larrain, a Senator from the conservative Independent Democratic Union, criticized Mr. Clinton for interjecting himself into Chile's internal affairs.

"He wouldn't like it if we gave our opinions about when the Americans had slavery," Mr. Larrain said. "Nobody can tell us how democracy works."

Jorge Martinez Bush, a high-ranking Chilean Navy officer in the Pinochet era, voiced annoyance at Mr. Clinton's reference to Mr. Aylwin's victory address.

The Chilean Congress meets in Valparaiso, a seaside city 90 miles from the capital, as a result of one of General Pinochet's last official acts. He moved the Congress to a large ungainly building here in an attempt to decentralize the Government and to distance the legislative branch from the seat of executive, judicial and military power in the capital.

Mr. Clinton was introduced by Andres Zaldivar Larrain, the President of the Senate, who described Chile as a country that loves its restored democracy.

"Nothing was more painful for our people than to see it interrupted," Mr. Zaldivar said. "Nothing was more pleasurable than to reconquer it. We have learned that its conservation requires a constant attitude of tolerance and respect, and that its perfection demands maturity and persistence."

Mr. Clinton, speaking on the floor of the chamber behind a bulletproof lectern flown in from Washington, struck much the same note, and broadened the message to include the other nations of the region.

"Now, having resolved to protect democracy, we must now do much, much more to perfect democracy," the President said. "And we must do it throughout the hemisphere."

The New York Times

SATURDAY, APRIL 18, 1998

LOS ANGELES TIMES
(first-edition) Page 1 for **Saturday**, April 18, 1998:

Top of page:

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

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

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

Col 6: Local transit story.

Above fold:

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

Below fold:

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

Bottom of page:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''Racial, gender and ethnic intolerance as well as the existence of double standards continues to exist," Angelica Santacruz, a board member of the Hispanic Association of Colleges and Universities, told reporters. ''As long as everyone is not yet invited to participate or even compete on a level playing field to demonstrate their aptitude and potential, affirmative action is needed."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Clinton presses summiteers for '2nd generation' reforms

Exhortation to curb inequities draws mixed reviews

By Warren P. Strobel
THE WASHINGTON TIMES

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

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

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

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

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

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

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

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

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

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

The United States is advocating

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

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

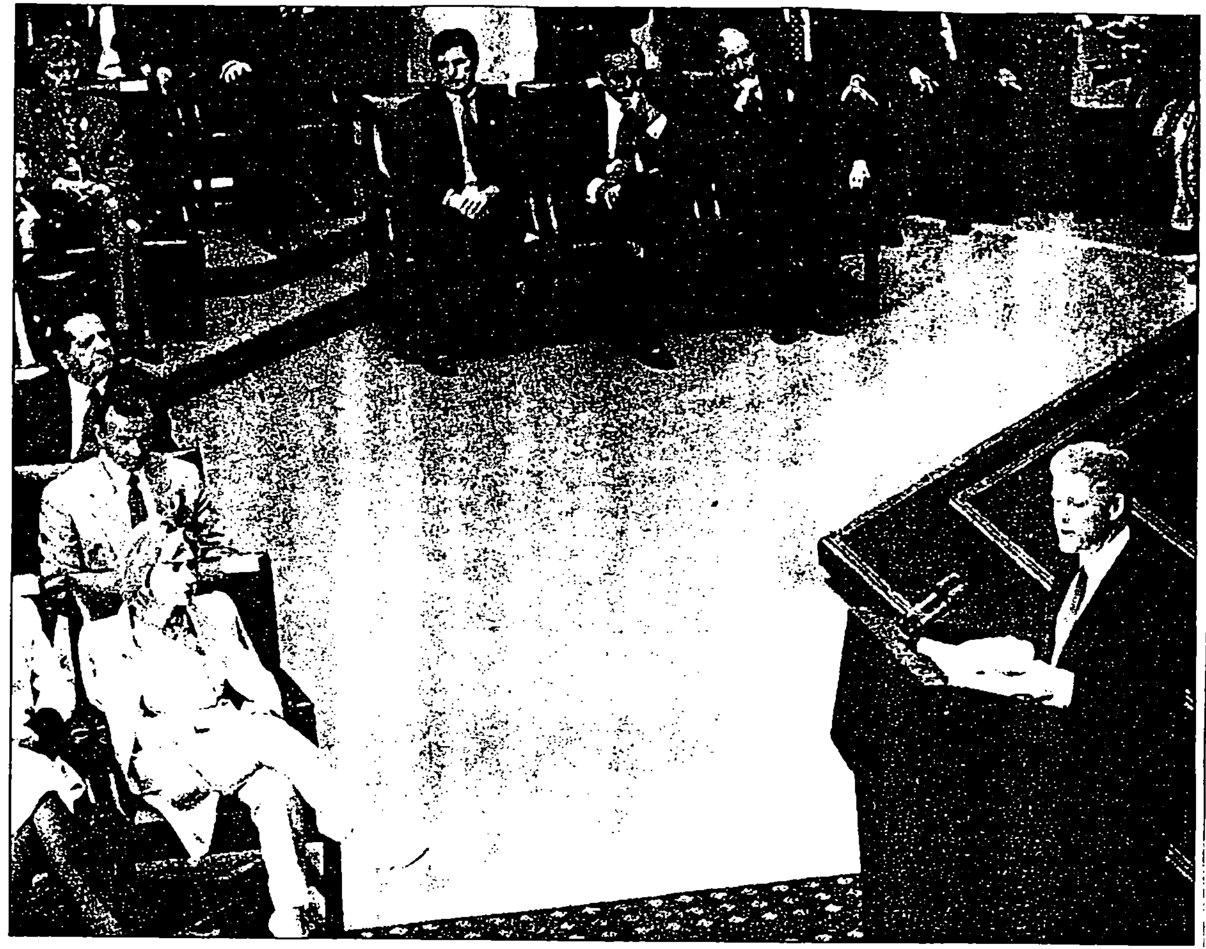
James Steinberg, Mr. Clinton's deputy national security adviser, said these and other efforts are meant as a preventive strike against any backsliding on democracy.

"We need to take these steps now before this becomes a serious problem," he said, adding that the president's message is: "Let's not assume we can keep that [democratic] consensus, unless we're active, vigilant and engaged."

Mr. Steinberg said leaders like Chile's Eduardo Frei, Mexico's Ernesto Zedillo and Brazil's Fernando Henrique Cardoso "realize it's not enough just to have the machinery of democracy." They have made education a policy priority, he said.

Richard Feinberg, a former White House expert on Latin America who was in the audience yesterday, said predictions of the collapse of democracy in the region are wrong.

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



AP

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

The Washington Times
SATURDAY, APRIL 18, 1998

Latin America Fears Stagnation in Trade Talks With U.S.

By CALVIN SIMS

SANTIAGO, Chile, April 18 — President Clinton and 33 other leaders from the Western Hemisphere opened talks here today aimed at making good on their commitment four years ago to create a free-trade zone stretching from Alaska to Tierra del Fuego.

But many Latin American governments, disappointed that Mr. Clinton failed to gain so-called fast-track negotiating authority from Congress last year, expressed serious doubts that a hemispheric agreement on trade would ever be signed.

"There will be a lot of smiling and back-slapping this weekend," said a Latin American finance minister, who spoke on condition that he remain anonymous, "but the reality is that we are growing frustrated and more and more skeptical that the United States is really committed to free trade."

Trade experts have said that unless Mr. Clinton gets fast-track negotiating authority — under which Congress can approve or reject trade accords negotiated by the White House, but not amend them — there is little hope of negotiating a free-trade pact by 2005, a goal set in 1994 at the first Summit of the Americas in Miami.

Facing strong opposition from United States labor unions and members of his own party, Mr. Clinton withdrew fast-track legislation in November after it became clear it would not be enacted.

In a speech at the opening session of the summit meeting today, Mr. Clinton promised to persuade Congress to grant him the authority he wants.

"The United States may not yet have fast-track legislation but we will," he said. "I assure you our commitment to the free-trade areas of the Americas will be in the fast lane of our concerns."

Clinton Administration officials have said that while fast-track authorization will eventually be necessary to conclude a trade accord, the lack of such authority should not preclude the start of formal negotiations here.

Trade officials from Canada, chairman of the hemispheric negotiations, agreed, saying the discussions would proceed despite the lack of fast-track authority.

"Of course it would have been preferable for President Clinton to arrive in Santiago with fast track, but the reality is that much work can and will be done at the front end, without fast-track authority," Canada's International Trade Minister, Sergio Marchi, said in a speech in Toronto this week.

The immediate goal for this weekend, officials said, is to determine the objectives and composition of working commissions that will negotiate various aspects of the agreement and to select the site of a third meeting. Agriculture, services and intellectual property are expected to be among tough negotiating areas.

President Eduardo Frei of Chile, who is host of the summit meeting, said today that he hoped the weekend meetings would give a definitive push toward the creation of "a hemispheric community."

"In a globalized world, the development of our economies is based on the liberalization of trade," Mr. Frei said. "We must continue fighting protectionism. It is necessary that the talk of free trade translate into real works."

Although government and trade officials say otherwise, a major indication that talks have slowed is that leaders will spend considerable time this weekend discussing other issues, like poverty, democracy, freedom of expression, justice, education, human rights and drug trafficking.

In his speech, Mr. Clinton called on Western Hemisphere countries to do more to address the social problems that plague the region.

"Poverty throughout the hemisphere is still too high, income disparity is too great, civil society too fragile, justices system too weak," Mr. Clinton said. "Too many people still lack the education skills necessary to succeed in the new economy."

The President called for the region to undertake a second generation of reforms with priority given to providing children with education.

Administration officials said summit leaders planned to announce a package of more than $6 billion in international support for education. Of that, $3 billion would be in loans from the Inter-American Development Bank and $3 billion would come from the World Bank. Some $130 million will come from the United States Agency for International Development.

As the United States wavers on fast-track authority, Latin American countries are forging trade links among themselves, Canada, Europe and Asia — alliances that threaten to put American companies at a competitive disadvantage.

South America's largest trading nations — Brazil, Argentina, Chile, Paraguay and Uruguay — have formed the Mercosur Customs Union, which accounts for two-thirds of the continent's economic activity.

Talks are already under way to merge the Mercosur alliance with the five-nation Andean pact, formed by Venezuela, Colombia, Ecuador, Peru and Bolivia. Together, the two trading groups would form a market of 310 million consumers.

In addition, investment between Latin American countries is rising as more local companies take roles in government privatization throughout the region. It is not uncommon, for example, for Chilean or Argentine companies to hold major stakes in utilities, railroads or pension funds in Brazil, Bolivia or Peru.

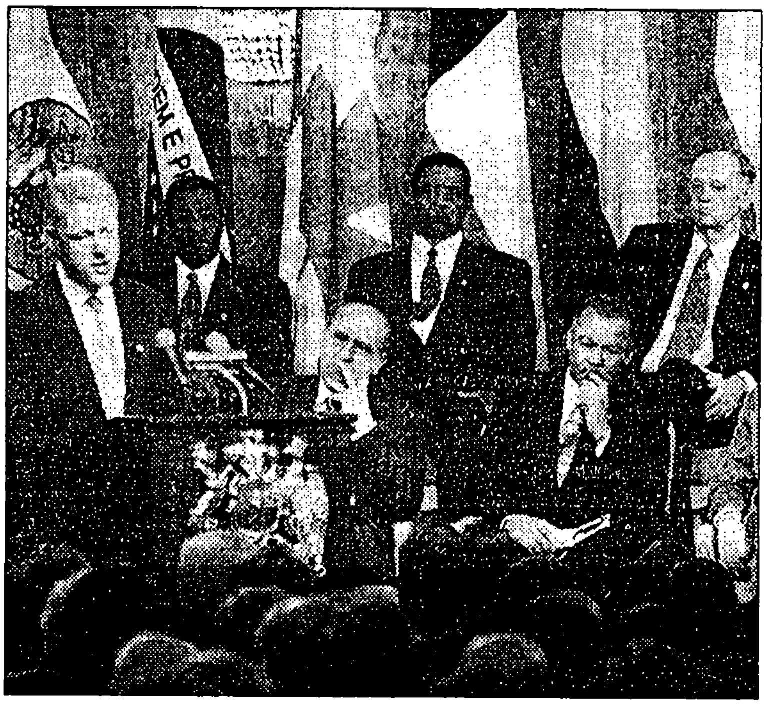
Ricardo French-Davis, a United Nations economist in Santiago, said regional groupings were good dress rehearsals for a hemispheric pact.

"It's much easier for the United States to negotiate with a group of countries that has already ironed out its internal problems," he said. "I suggest that everybody take a deep breath and calm down. A hemispheric trade agreement is going to take a while."

The New York Times
SUNDAY, APRIL 19, 1998

Clinton Laments Americas' Problems

By ANTHONY FAIOLA
Washington Post Foreign Service



BY GREG GIBSON—ASSOCIATED PRESS

In his address, President Clinton praised the hemisphere's economic transition but said too few people "feel the change working for them."

SANTIAGO, Chile, April 18—On the inaugural day of the second Summit of the Americas, President Clinton heralded the United States' new "partnership" with Latin America, along with the region's economic and democratic transition in the 1990s. But at the same time, he issued a critical analysis of the lingering social problems that leaders here are attempting to grapple with at this weekend's summit and beyond.

"Poverty throughout the hemisphere is still too high, income disparity is too great, civil society too fragile, justice systems too weak, too many people still lack the education and skills necessary to succeed in the new economy," Clinton told the hemisphere's 33 other leaders—all except Cuban President Fidel Castro. "In short, too few feel the change working for them."

Clinton's comments cut to the heart of something that has been overlooked generally during his state visit to the summit site in Santiago, the Chilean capital, that began Thursday. Despite how far Latin America has come politically and economically, critical problems still plague the region's fragile democracies.

Although Latin America has experienced overall economic growth of 15 percent since the first Summit of the Americas in 1994 in Miami, it still has a disparity between rich and poor that is among the greatest in the world. And while there have been leaps from dictatorships into democracies, trouble spots and lapses in the democratic tradition remain throughout the region. Meanwhile, the narcotics trade is still flourishing in countries such as Colombia and Bolivia, despite attempts to combat the problem.

In efforts to address those issues, several initiatives were agreed to today—and will be signed in a formal accord Sunday. Clinton agreed to launch "security measures" for Latin America including a "multilateral counter-drug alliance" that would attempt to tighten law enforcement on money laundering and help fight an increase in drug consumption.

National security adviser Samuel R. "Sandy" Berger said the measure was not meant to supplant the United States' policy of "certifying" nations for drug cooperation. Instead, the new measure would "supplement" it.

"Let's see how it evolves—the object of both is to increase and intensify cooperation" in the drug war, Berger said. "This will be another instrument at our disposal."

The measures to be signed in Sunday's communique, however, basically lay the groundwork for more specific agreements—and several contained vague language. The nations agreed, for instance, to improve extradition procedures for narcotics-related crimes, but no legislation was suggested that would make such extraditions mandatory.

The first day of the summit also focused on improving Latin American literacy rates. The plan includes a doubling of new loans from the Inter-American Development Bank to $3 billion, and a 50 percent increase in money from the World Bank to $3 billion. The money would be used to improve teacher quality, reduce class sizes and increase technology.

"A lot of these democracies are very new, and the gap in education is very wide," said U.S. Education Secretary Richard W. Riley. "I think it is noteworthy [that] virtually all these countries have placed education as a top priority."

FOR MORE INFORMATION

To read the text of President Clinton's opening address at the summit, click on the above symbol on the front page of The Post's Web site at www.washingtonpost.com

The Washington Post

SUNDAY, APRIL 19, 1998

Latin Journalists Under Fire

Hemisphere's Leaders Move to Protect Endangered Reporters

By Anthony Faiola
Washington Post Foreign Service

SANTIAGO, Chile, April 18—Isabel Chumpitaz, a radio journalist championing the rights of poor farmers in the Peruvian city of Piura, was at home with her family when 12 men stormed in with shotguns and pistols earlier this month.

The assassins, widely believed to be on a mission to silence her popular program "The People's Voice," brutally beat her and shot her to death. Then they tried to rape her mother.

"The reality is that Latin America is still the most dangerous place in the world to be a journalist," said Joel Simon, program coordinator for the Americas for the Committee to Protect Journalists, a New York-based advocacy group.

Even as the era of dictators fades into memory in Latin America, human rights experts say that violence and intimidation against journalists remain among the biggest obstacles to strengthening the region's budding democracies.

In light of the extraordinary violence against journalists, some of it linked to governments, President Clinton and leaders of every other nation in the hemisphere except Cuba will sign an accord Sunday endorsing the creation of a new position of special press advocate at the Organization of American States. The advocate will have authority to bring such cases before the Inter-American Court on Human Rights.

The new position, for which the United States will grant $300,000 in seed money, was approved today after lobbying by Clinton and U.S. officials. Among the leaders signing the decree will be Peruvian President Alberto Fujimori and Argentine President Carlos Menem, both of whom have been accused of sanctioning threats toward, limitations on and intimidation of the press.

"There are still restrictions [on the press] in Latin America, and there are still crimes of impunity and intimidation that go completely unpunished," said White House aide Sidney Blumenthal. "We hope this new position will be the beginning of real change."

In 1997, 10 journalists, out of 24 worldwide, were killed in Latin America. And more than 100 documented incidents of intimidation and violence were recorded in the region, making it the world's most dangerous for journalists, said the Committee to Protect Journalists. In Colombia, 43 journalists were killed between 1988 and 1997; during the same period, 18 were killed in Peru and 12 in Mexico.

The violence has happened as Latin American journalism has grown more aggressive. Indeed, reporters' jobs have become increasingly dangerous as new democracies have emboldened the media to conduct in-depth investigations into government corruption and organized crime, Latin American media and human rights experts say.

Though violence can be attributed to several sources, many Latin American governments, most of which are not accustomed to a prying press, have not responded well.

Peru has been the site recently of some of the worst acts of intimidation. Although there is no evidence to suggest that the murder of Chumpitaz had links to the Fujimori government or his private intelligence agency led by the shadowy Vladimiro Montesinos, Peruvian journalists believe that the assassination was related to her role as a crusading reporter critical of policies concerning the poor.

Several other acts are believed to be tied to what appears to be Peru's quest to limit press freedom. Last year, Peru revoked the citizenship of Baruch Ivcher, an Israeli immigrant whose Channel 2 produced a series that looked at torture by the Peruvian Army and examined Montesinos's huge salary.

There have also been institutional attempts to limit press freedoms. In Argentina, press liberties were dealt a blow as the Supreme Court—handpicked by President Menem—forced the newspaper Pagina 12 to print a response this week from Antonio Petric Domagoj, an alleged underworld figure, after the paper ran an expose on him and his connections to Menem.

"Freedom of the press exists, but it is very manipulated by the government—a government that still resists the idea that they must be held to account by the public," said Horacio Verbitsky, a columnist with Pagina 12, whom Menem called "one of the biggest terrorists in Argentina." Menem added that Verbitsky was "passing judgment on honest and decent people."

"We are living in a time when the press is trying to emerge to be a democracy-building force," Verbitsky said. "But the government isn't making this easy."

To be sure, not all acts against the press were committed by governments. But the new OAS press advocate position is designed to give Latin American journalists another way to have their cases studied by the international community, pressuring nations to conduct their own investigations and curbing their interference and intimidation of the press.

Human rights experts, however, cautioned that the advocate's success would ultimately depend on whether the OAS would enforce the court's judgments, by, say, linking loans or aid from international organizations or other governments to resolving such cases.

"I think we need to see some real power in this new position," said Jose Miguel Vivanco, executive director of Human Rights Watch/Americas. "Otherwise, I'm not optimistic it will result in any real change."

The Washington Post

Sunday, April 19, 1998

Summit opposes U.S. on Cuba

■ Most hemisphere leaders see no reason to isolate Fidel Castro.

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — Nations attending a Western Hemisphere summit yesterday pressed for new overtures toward Cuba, leaving the United States alone in its policy of trying to isolate Fidel Castro.

Most dramatic was a report that Canadian Prime Minister Jean Chretien will visit Cuba sometime in the next several weeks. His trip follows a visit to the island earlier this year by Pope John Paul II.

Other leaders at the 34-nation Summit of the Americas, where Cuba is the only nation of the hemisphere not invited, called for its inclusion at the next such gathering.

"This should be the last summit without Cuba," said Prime Minister Owen Arthur of Barbados.

President Alberto Fujimori of Peru said that Cuba's exclusion is "unfair because the country is no threat to anybody."

U.S. officials played down the dispute, which came on the first day of a summit that the United States, the only major power at the conference, describes as evidence that the once-feuding nations of the region are now cooperating on a broad range of issues, from drugs to development.

Cuba was not formally on yesterday's agenda, which dwelt on ways to bolster the Western Hemisphere's new democracies and improve its education systems. On these topics, there were abundant signs that leaders from north to south are on the same wavelength.

Even on the subject of Cuba, nations share the goal of promoting

see CUBA, *page A4*

• *There's more to Clinton's trips than wanting to leave town. A4*

CUBA

From page A1

democracy there, said U.S. National Security Adviser Samuel R. Berger.

But it is clear that there is little agreement on the means.

U.S. officials were particularly cool toward Mr. Chretien's planned visit to Cuba, of which he informed Mr. Clinton in a phone call several days ago.

"We have not seen much evidence that constructive engagement with Cuba has produced any material results with respect to human rights or democracy, but I would hope that Prime Minister Chretien would pursue that agenda," Mr. Berger said.

There also have been some rumblings about readmitting Cuba to the Organization of American States, although U.S. officials said they have heard no formal proposal on that score.

U.S. policy is to keep the Castro regime isolated until it undertakes democratic reforms, as nations from Nicaragua to Chile have. Admitting Cuba to the OAS would be "mighty ironic," Mr. Berger said, since its charter now has a provision to toss out any country where democracy is overturned.

As to these summits, Orlando Rodrigeuz, a representative of the Cuban opposition group Concilio Cubano, said it would be wrong for democracies to invite someone such as Mr. Castro "who is the opposite of what democracy is. It's a question of morals and principles." Rather, he said, members of Cuba's democratic opposition should be invited to attend at the next summit, which will take place in Canada in two or three years.

Complaints from Latin nations and Canada — as well as Europe — about U.S. policy toward Cuba are nothing new. But they come at a time when Washington is trying to put its relations with Latin America on a more equal footing, replacing the mutual recriminations and suspicions of the recent past.

For example, the summit leaders yesterday agreed to launch a new, hemispherewide anti-drug alliance that will include mechanisms for evaluating each nation's progress in fighting drug trafficking. The initiative is aimed at taking the sting out of Congress' annual drug certification process, a unilateral judgment that other nations regard as insulting and patronizing given the U.S. standing as the world's No. 1 drug consuming nation.

U.S. officials were particularly cool toward Canadian Prime Minister Jean Chretien's planned visit to Cuba.

Rep. Benjamin A. Gilman, New York Republican, and Rep. Dennis Hastert, Illinois Republican, criticized the summit nations' stand on narcotics. "The renewed assault on the annual drug certification process sounds pretty much like the old 'blame America first' crowd is back in business, focusing this time exclusively on drug 'demand' in the United States," they said in a statement circulated here.

White House officials said that, in fact, the sessions yesterday were remarkably free of anti-American rhetoric.

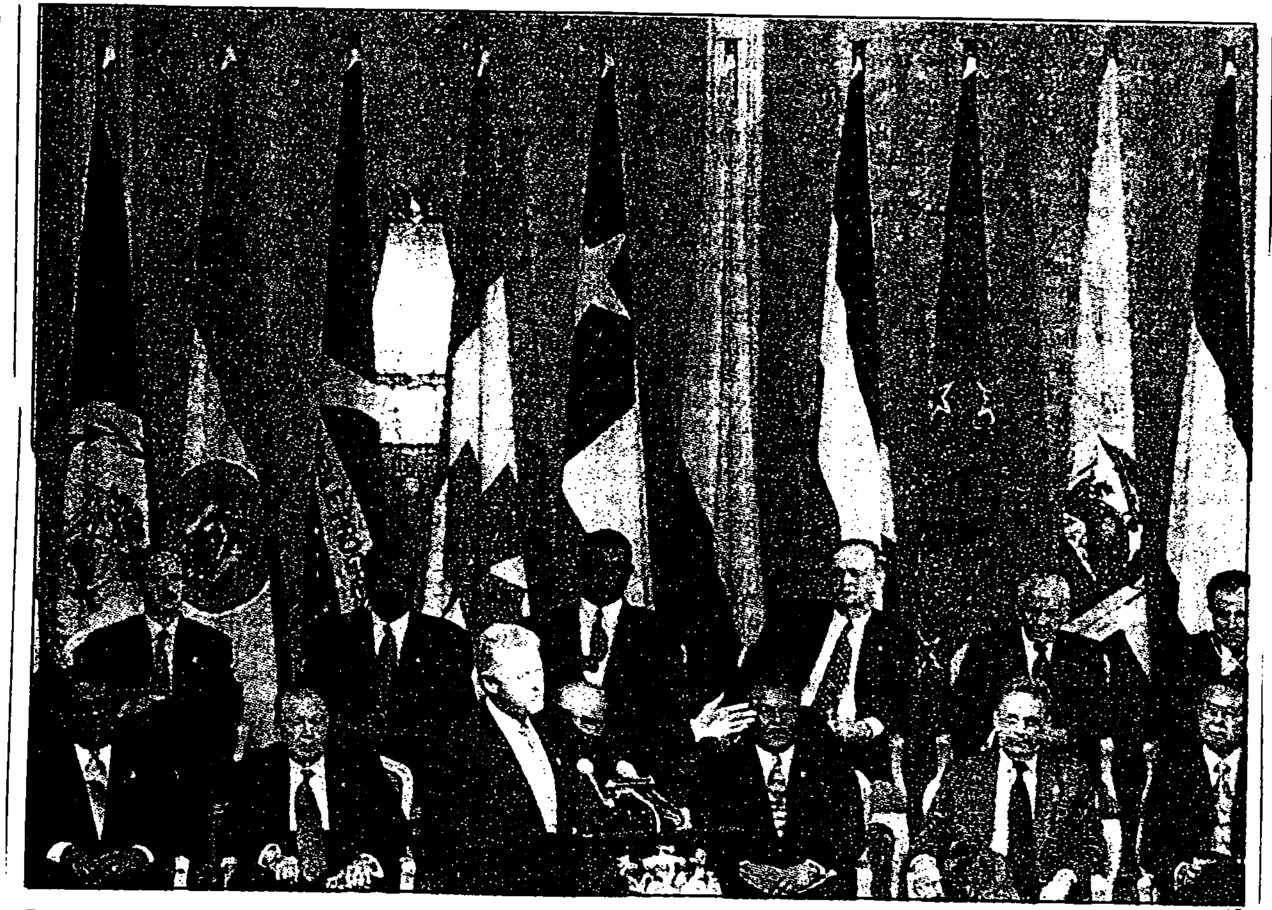
Washington's leadership in the hemisphere has been called into question by several developments, most prominently Congress' refusal to give Mr. Clinton "fast-track" trade negotiating authority. In his opening statement to the summit, the president tried to allay those concerns, saying, "The United States may not yet have fast-track legislation, but we will."

U.S. officials, trying to tread a fine line, said it is possible for the United States to simultaneously be a leader and a better partner.

"It's clearly more of a partnership. . . . But I don't think that takes away from the recognition of our leadership, the expectation of our leadership," said Thomas F. "Mack" McLarty, the president's special envoy to Latin America. "One does not preclude the other."

The Washington Times

SUNDAY, APRIL 19, 1998



AP

President Clinton addresses 33 hemisphere leaders at the Summit of Americas in Santiago, Chile, yesterday.

The Washington Times

SUNDAY, APRIL 19, 1998

The Washington Times
SUNDAY, APRIL 19, 1998

Wandering Clinton seeks a place to leave his mark

By Warren P. Strobel
THE WASHINGTON TIMES

SANTIAGO, Chile — All his life, President Clinton wanted nothing more than to make it to Washington. Now it seems all he wants to do is leave.

Since March 22, Mr. Clinton has spent six full days in Washington. In the interim, he's been to Ghana, Uganda, Rwanda, South Africa, Botswana, Senegal, Kansas City, Chicago, Kentucky's tobacco country, Camp David, Houston for a forum on race, tornado-ravaged Alabama and now Chile.

The trite explanation for the president's wanderlust is that he wants to escape the uninviting milieu of Washington, where his administration remains mired in the muck of scandal.

That may be part of the story, but White House officials and outside observers say there is more.

Mr. Clinton has long thrived by taking his message outside of Washington, where he can meet the voters and go over the heads of a Republican Congress and a cynical national media. On Capitol Hill, the 1998 midterm election year is shaping up as one of the quietest legislative sessions in recent memory, giving the president less reason to hang around.

And much of his foreign travel, like the summit of Western Hemisphere leaders that opened here yesterday, was set long in advance, reflecting the dreams of a second-term president who wants to secure a legacy in foreign affairs.

"Presidential travel probably goes up the longer a president is in office," especially if he wins a second four-year lease, said presidential scholar Stephen Hess of the Brookings Institution.

Mr. Clinton has planned at least four more foreign trips this year, including a May trip to Germany, England and possibly Ireland; a late-June mission to China and possibly Japan; a September tour of India, Pakistan and Bangladesh; and a November trip to Malaysia for an annual Asia-Pacific summit.

AP

Costa Rican President Jose Maria Figueres greets Chilean President Eduardo Frei at the Summit of the Americas as their wives meet in the background. President Clinton joined the leaders yesterday in Chile.

"Presidents, particularly Bill Clinton, get interested in international affairs the longer they're in office," Mr. Hess said. "This might be part of the legacy operation."

Pundits like Mr. Hess can speculate all they want, said White House spokesman Joe Lockhart.

The truth is, Mr. Lockhart said, the president has a strong agenda at home, and "he's going to the places where he thinks he can highlight the need to pursue these policies." He cited the Kentucky stop, where the president pushed anti-smoking legislation the day after a leading tobacco company pulled out of last year's tobacco deal.

The president's foreign travels bring results, too, the spokesman said, citing his previous visit to Northern Ireland, which the White House believes was instrumental in spurring the process that led to a peace accord earlier this month.

Still, there are signs that Mr. Clinton and his aides are worried about the amount of time he has spent on the road lately. The president can hardly tar Republicans as presiding over a "do-nothing Congress," as he plans if they don't pass his legislative priorities, if he has been gone all the time himself.

"Presidents ... get interested in international affairs the longer they're in office. This might be part of the legacy operation."

— Stephen Hess, Brookings Institution

The White House has drafted a hectic in-town schedule for the president next week. With Congress returning from recess, it is designed to demonstrate that the president is active and engaged. He meets Tuesday with Democratic leaders to discuss their legislative agenda for the rest of the year. The president may soon hold his first Washington news conference in months.

"There'll be, certainly, a lot more action in Washington the next few weeks," Mr. Lockhart said.

While the 12-day Africa trip, to nations never before visited by a U.S. president, went well logistically, Mr. Clinton's hectic international schedule is beginning to take its toll.

Fresh advance people have been dragooned into the elaborate preparation process for a presidential trip abroad. One veteran White House advance official flew directly from Africa to Germany, where Mr. Clinton next month will celebrate the 50th anniversary of the Berlin airlift, returned to the United States for a day and then went on a scouting trip to China.

FREE-TRADE ZONE OF THE AMERICAS GIVEN A GO-AHEAD

LEADERS SCHEDULE TALKS

But Opposition in U.S. Shifts Focus of Summit Meeting to Social Conditions

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By CALVIN SIMS

SANTIAGO, Chile, April 19 — Leaders of 34 countries in the Western Hemisphere took a first step today toward creating the world's largest free-trade zone, one that would span the Americas.

In a joint declaration signed by President Clinton and 21 other presidents and 12 prime ministers, the leaders said that talks on the subject would begin in September and they pledged to make "concrete progress" toward a goal of signing an agreement by 2005.

But reaching a final agreement is by no means certain, mainly because of strong opposition in the United States Congress, which has so far failed to grant Mr. Clinton the so-called fast-track negotiating authority that is considered crucial to reaching a hemispheric free-trade accord.

For that reason, the leaders here attending the second Summit of the Americas focused much of their attention this weekend not on free trade but on improving social conditions in the region.

As part of their final communiqué, the leaders agreed to a sweeping social action plan that is intended to improve education, reduce poverty, expand democracy, guarantee human rights and fight drug trafficking in the hemisphere.

"We all admit that too many of our citizens have not yet seen their own lives improved as a result of our participation as free nations in a global economy," Mr. Clinton said at the meeting's closing ceremony at the Chilean Ministry of Foreign Affairs.

"We have, therefore, committed ourselves here to a second stage of reforms designed to bring the benefits of freedom and free enterprise to ordinary citizens throughout the Americas."

Human rights groups, which have long criticized free-trade agreements as failing to address social needs, applauded the social action plan while questioning whether it would be enforced once the leaders leave Santiago.

"This is the silver lining to Clinton's failure to get fast track — a shift away from trade to human is-

Continued on Page A10

Continued From Page A1

sues," said José Miguel Vivanco, executive director of the Americas division of Humans Rights Watch.

"As a matter of principle, this social action plan is wonderful because it addresses the grave social ills and abuses of power that these governments have long ignored. In practical terms, however, this type of rhetoric often doesn't result in any action because there's no mechanism for accountability."

Education is at the center of the plan, which calls for all governments in the region to provide universal access to elementary school education by 2010 and to provide high school education for 75 percent of the region's youngsters by the same year.

"Education is the determining factor for political, social, cultural, and economic development of our peoples," the communiqué says. "In order to meet our goals within the agreed time frames, we affirm our commitment to invest greater resources in this important area."

Under the plan, the region will have access to $8.3 billion in new loans and grants, mainly from the international lending organizations. The money would be used for a variety of programs, including a number that would improve teaching, and to buy textbooks and other materials.

As part of the plan, the leaders also promised to lower barriers to home ownership, strengthen democratic institutions, improve training for judges and prosecutors and cooperate in the fight against drugs.

Thomas L. McLarty, President Clinton's special adviser for Latin America, said in an interview that the social action plan was the next logical step for Latin America as it completes a first round of reforms, which have included a return to democracy in many countries and a restructuring of inefficient economies.

Perhaps the most discussed issue of the social action plan was its creation of the position of rapporteur, or monitor, at the Organization of America States to report on freedom of expression. The rapporteur would investigate cases of press repression and other free-speech abuses.

Despite the rise of democracy in Latin America after decades of military dictatorship, freedom of the press remains a goal rather than a reality across much of the region. Often those opposed to free speech are the democratically elected governments promising to protect it.

In the last decade, at least 120 journalists have been killed in Latin America while reporting on corruption, drugs and human rights abuses. Several Latin American governments, like Argentina's, have introduced legislation that critics contend would intimidate the press and quash investigations.

In Latin America, the press is often the only check on government. In many of the countries, the executive branch exercises considerable control over the judiciary and the legislature, which are often dominated by members of the President's party or by the President's appointees.

Clinton Administration officials have long expressed concern about making new trade deals with countries that do not have independent news organizations to help guard against corruption. That concern has been echoed by those involved with international business and investment.

While the meeting focused less on trade issues than the organizers had hoped, trade experts said setting a date to begin free-trade talks and establishing a logistical framework for those negotiations would hopefully keep the momentum for an agreement alive.

But the experts acknowledged that the lack of fast-track authority — under which Congress would be able to approve or reject a trade agreement negotiated by the Administration but not to amend it — had hurt the United States' credibility on free trade.

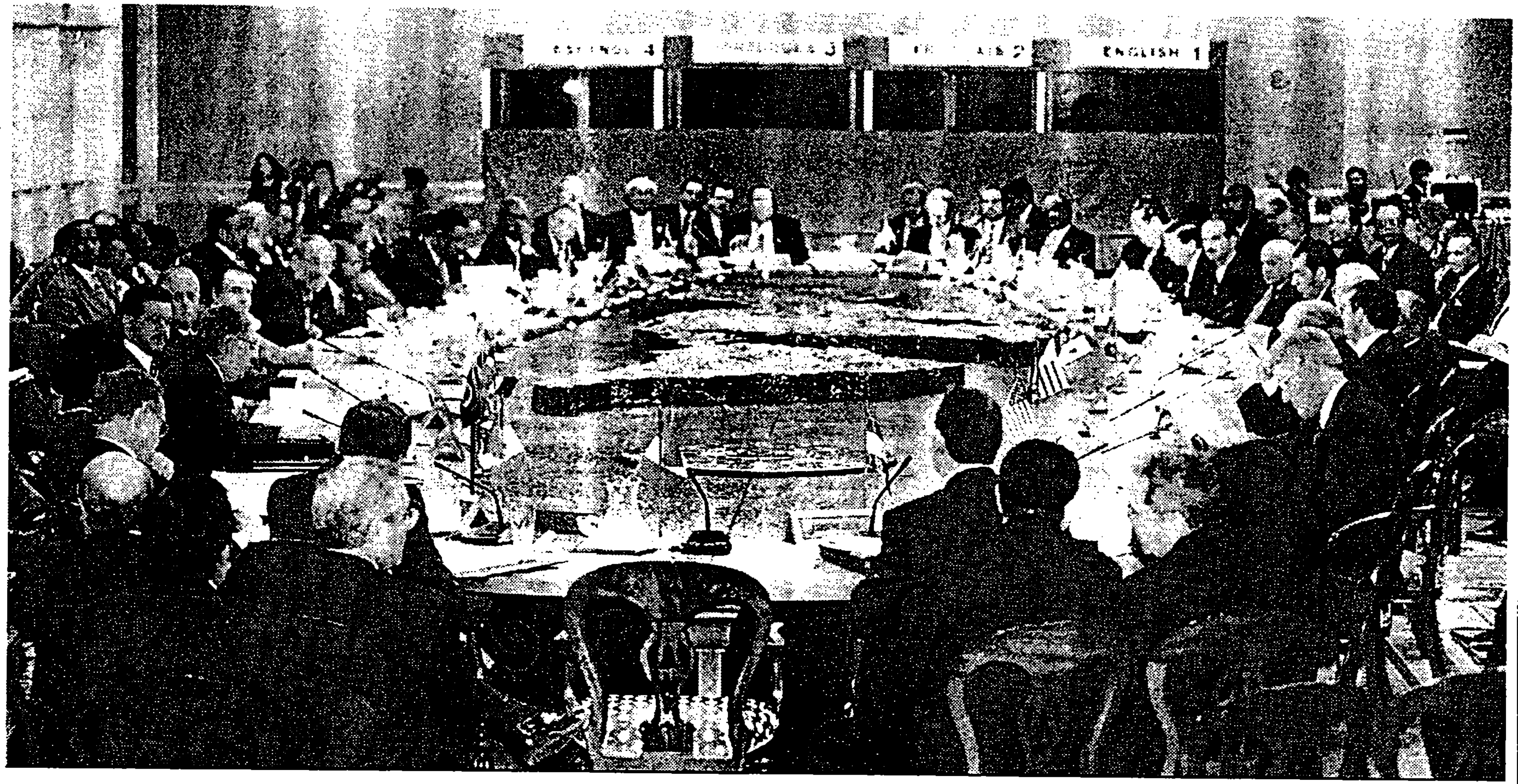
The Free Trade Area of the Americas would have 34 member nations (Cuba is not included)with 750 million people and a gross domestic product of more than $9 trillion. The United States accounts for 85 percent of the region's economy.

The population would be more than double the 370 million of the 15-nation European Union.

Last year, United States exports to the hemisphere totaled $286 billion, or 42 percent of its global exports. In the five years since 1992, trade within the Western Hemisphere has risen to $592 billion, from $375 billion.

The New York Times
MONDAY, APRIL 20, 1998

The New York Times
MONDAY, APRIL 20, 1998



Associated Press

President Clinton, right, and other leaders at Chile talks. The empty chair belonged to President Alberto Fujimori of Peru, who was briefly absent.

Reporter's Notebook

First Lady Visits Real People in Chile

By JOHN M. BRODER

SANTIAGO, Chile, April 19 — As 34 leaders of the nations of the Americas were gathering in a windowless hotel ballroom here to produce a lofty declaration of hemispheric cooperation, Hillary Rodham Clinton was demonstrating their intentions in action.

Mrs. Clinton spent a long day in southern Chile on Saturday, visiting a Mapuche Indian school, speaking at a clinic run by Mapuches and British missionaries and meeting with women who run small businesses.

It was a concrete expression of the concerns of the summit leaders, who today pledged to deepen democracy through education, improved health care, protection of indigenous people and more lending to small enterprises.

The programs the First Lady highlighted are part of her campaign of global good works that have taken her to similar sites in Bangladesh, Uganda, Uzbekistan, Mongolia, Ireland and Nicaragua. Everywhere the message is the same: Without schooling, decent health care and the empowerment of women, societies will remain mired in poverty and paternalism.

"These are all pieces of a bigger effort to rebuild civil society and restore the rule of law," she said on her aircraft en route to Temuco, some 500 miles south of Santiago.

At a primitive Mapuche Indian clinic down seven dusty miles of bad road, Mrs. Clinton was welcomed with a traditional dance and then toured the site with the local machi, a shaman whose contacts with the spirit world are believed to give her curative powers.

The clinic blends Western medicine with traditional healing. Tuberculosis patients are treated with antibiotics and other modern methods under the supervision of Janet Dolder, a missionary nurse from Essex, England, who came to Chile 40 years ago and married a Mapuche.

But the patients also receive traditional cures from the machi, who brews herbal teas and performs massages with salves made from the local flora. Her presence gives the Mapuche confidence to submit to the 20th-century medicine practiced by Mrs. Dolder and her staff.

"As a machi, I have been treated at the hospital and I trust very much in the quality of care," said the machi, who goes by her honorary title and not her name. "It was difficult for me to come here, but I have been treated very well. I also help in the treatment of patients; I give them massages."

Mrs. Clinton applauded the experiment in bicultural health care, noting that they blend "different concepts about health, the body and life."

And Furthermore

At an earlier event in Temuco, the dedication of a school intended to assimilate Mapuche children into Chilean society while keeping their language and traditions alive, Mrs. Clinton was introduced by the school's director, Eusebio E. Reumay.

Mr. Reumay took advantage of t moment, giving a detailed history of the frustrations he has suffered building the school, from the hostility of the previous military regime to the bureaucracy of the current Government.

About 10 minutes into Mr. Reumay's introduction of the First Lady, a Chilean television reporter, Jefferson Adaro, predicted, "This son of a gun is going to talk for many minutes."

And talk he did, for a total of 29 minutes. But Mrs. Clinton hung there, attending to every word and even waving off an aide who offered to give Mr. Reumay the hook.

Wickedly Funny, Offstage

Rumor has it that Mrs. Clinton lets a different side of her personality show in private than the extreme earnestness of her public demeanor. It is said that at lunches with reporters she can be wickedly funny, offering astute and biting assessments of global leaders and American politicians alike. Reports have reached Western observers that Mrs. Clinton possesses a sharp analytical mind and deeply believes in the value of her missions to bring aid and comfort to the world's struggling peoples. She has strong opinions and is not shy about expressing them.

But all that is off the record, at the insistence of the First Lady and her staff, who zealously guard Mrs. Clinton's privacy and are determined that she not be seen as meddling in affairs that are properly the province of her husband.

Out of Starr's Orbit

The entourage accompanying the President and First Lady on this trip is considerably smaller than the huge delegation on the recent trip to Africa. Absent are the business executives and campaign contributors that filled two planes in addition to Air Force One on the Africa voyage. The Rev. Jesse L. Jackson was nowhere to be seen.

But the official delegation still includes 77 people, including 6 Cabinet officers, 5 members of Congress and 6 assistants to the President, not to mention various deputy assistants and assorted hangers-on.

Among the trip's attractions is that Santiago is 5,500 miles from Washington, well out of range of the subpoena servers of Kenneth W. Starr, the independent counsel. Four White House officials on the trip — Bruce Lindsey, John Podesta, Sidney Blumenthal and Nancy Hernreich — have been summoned to appear before Mr. Starr's grand jury investigating whether Mr. Clinton and others lied about his relationship with Monica Lewinsky or asked others to do so.

With the luxury of distance, the four officials could indulge in gallows humor, competing for bragging rights for the most grand jury appearances.

The honor was won by Mr. Lindsey, deputy White House counsel and the President's closest confidant, with four recent sessions.

Pranksters Bearing Gifts

It is customary when leaders gather that they pose for a group photograph, usually a static moment frozen for the history books. But the solemnity of Saturday's photo session was broken by two pranksters who had obtained press passes.

One appeared with a saxophone, which he handed to Mr. Clinton, who paused briefly but returned it without playing a note.

Then another prankster handed the President a copy of the Kama Sutra, the ancient Hindu sex manual.

Mr. Clinton took a quick look at the book, laughed heartily and then hastily returned it to its owner.

The New York Times
MONDAY, APRIL 20, 1998

Summit Ends With Promises

34 Leaders Focus On Trading Zone, Drugs

By Anthony Faiola *and* Thomas W. Lippman
Washington Post Foreign Service

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SANTIAGO, Chile, April 19— The second Summit of the Americas ended here today with President Clinton and 33 other Western Hemisphere leaders signing a declaration that promised everything from a rethinking of the drug war to negotiations that could create the world's largest free-trade zone.

The leaders treaded lightly on the challenges to democracy still looming in Latin American trouble spots from Paraguay to Peru, concentrating on "a second-generation" of issues, such as education and economics. The topics reflected what participants labeled an overall deepening of Latin America's transition from dictatorships to democracies and from state-owned behemoths to free-market systems.

Clinton underscored his belief that a greater pool of people must benefit from those changes if they are to hold. The Americas have undergone a "profound revolution in the last few years, a revolution of peace and freedom and prosperity," the president said. "Here in Santiago, we embrace our responsibility to make these historic forces lift the lives of all our people. . . . It is a future worthy of the new Americas in a new millennium."

In Latin America, which has long been the inferior partner in a general-

See SUMMIT, A14, Col. 2

SUMMIT, From A1

ly paternalistic relationship with the United States, the summit is widely viewed as a key turning point in equalizing that relationship. Latin officials, for instance, believe a great leap forward was made in the creation here of a Multilateral Counter Drug Alliance that would use the Organization of American States as a tool to evaluate each nation's record of combating drug trafficking—a process seen here as a potential alternative to the highly disparaged U.S. procedure of "certifying" the anti-drug cooperation of individual nations.

"We saw the [U.S.-Latin America] relationship change during this summit," Chilean Foreign Minister Jose Miguel Insulza said in an interview. "If Richard Nixon hadn't used the term 'mature partnership' to describe his ignoring of Latin America in the 1970s, that is exactly the term we would be using to describe the relationship today. We are talking more equally, and we are no longer having one-way conversations. The U.S. is listening to us too."

But U.S. officials were quick to point out that some changes are not likely to be immediately forthcoming. In discussing the U.S. drug certification process, national security adviser Samuel R. "Sandy" Berger declared: "We would have to obviously have a long discussion with Congress before there were any changes in U.S. law. I think that's not contemplated at this point." In general, however, he echoed Insulza's assessment of the hemispheric relationship.

"One of the things that is very striking about this meeting," Berger said, "is that . . . there is no sense of America trying to dominate [the other] countries. . . . There is a genuine spirit of partnership."

That new relationship manifested itself in a number of ways, not all pleasing to the Americans. One clear indication of hemispheric willingness to question U.S. policy came in the form of private calls for reinstatement of Cuba to the OAS and in public declarations that Cuban President Fidel Castro should be included in future hemispheric summits.

On the heels of Pope John Paul II's visit to Cuba in January, it was revealed this weekend that Canadian Prime Minister Jean Chretien, who will host the next summit, possibly in 2000, has accepted an invitation to visit Havana next week, becoming the first Canadian leader to do so in 21 years. Meanwhile, other leaders here spoke of ending Cuba's isolation.

"The exclusion of Cuba is unfair because that country isn't a threat to anyone," Peruvian President Alberto Fujimori told reporters. "The Cuban president should have been allowed to come here and express his point of view and to listen to criticism of him."

But the Cuba issue was one of the few divisive notes in what was generally a diplomatic love fest. Indeed, the language of the final communique is so lofty that it almost echoes Marxist utopian rhetoric from bygone generations—the difference being that trade and capital markets, rather than economic collectivism, are offered as the keys to a happier future for the region.

As expected, the summit participants agreed to a strict schedule of negotiations for a proposed Free Trade Area of the Americas, despite the fact that Clinton arrived in the Chilean capital without "fast track" authority—the power to sign trade accords that Congress could then only vote up or down, without amendment. The lack of fast track, which Clinton failed to win from Congress last November, ironically was viewed here as a deal maker, rather than a deal breaker. Countries such as Brazil—which had resisted the initial U.S. format for trade talks—found the United States now willing to compromise on the structure of negotiations to keep the prospect of a vast free-trade zone alive.

Although it will still be tough to persuade many opponents at home, U.S. Trade Representative Charlene Barshefsky said that the proposed free trade area "is embraced by all of the countries without exception as integration to a broader agenda of strong democracies, the alleviation of poverty and the empowerment of people and sustainable development." In the summit communique, the nations agreed to sign an accord by 2005, with the first round of negotiations to begin as early as June.

The 34-page "plan of action" goes on to address everything from new techniques to combat the drug trade to standards for transporting nuclear waste through the Panama Canal. Other new drug proposals include hemispheric efforts to crack down on money laundering, combat drug addiction and support "alternative development" programs that would give farmers who grow drug-producing plants the incentive to cultivate legal crops.

The summit plan also focused on combating illiteracy and pledged to "ensure, by the year 2010, universal access to and completion of quality primary education for 100 percent of children and access for at least 75 percent of young people to quality secondary education." To reach that goal, the Inter-American Development Bank and the World Bank have already committed $6 billion in concessionary loans for education over the next three years.

The plan calls further for a strengthening of the judicial systems in Latin America—still among the region's weakest institutions—through creation of a new justice center that would train judges and prosecutors on applications of law. The document also outlines a tighter regulation of the region's banking system, greater cooperation in rooting out money laundering and greater participation in U.N. peacekeeping missions by Latin America militaries.

Indeed, at the same time as the United States engages in a new partnership mentality toward Latin America, the nations in the hemisphere appear more willing to work with Washington to address their myriad social and economic problems. There may be a lingering "us vs. them" attitude, especially in South America, but they were not much on display here.

"You now have recognition by all these governments of the need to rebuild civil society at the local level," one senior U.S. official said. At the first summit of the Americas, in Miami in 1994, he said, "we couldn't get that recognized. Some of them wouldn't even talk about it."

The Washington Post

Monday, April 20, 1998

First Lady Works Summit's Foothills

By THOMAS W. LIPPMAN
Washington Post Staff Writer

BY MARIANA BAZO—REUTERS

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

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, cooperative 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

J.S. aga[illegible] co[illegible]ider[illegible]s 'a for supporting terrorism

By Barbara Slavin
USA TODAY

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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 members of Kurdish and other groups opposing Iran.

By Mohammad Sayyad, AP

Khatami: Less vocal critic of West than predecessors.

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 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.

Undergrads neglected, report says

By Mary Beth Marklein
USA TODAY

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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."

Americas plan duty free zone

By Bill Nichols
USA TODAY

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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.

USA TODAY • MONDAY, APRIL 20, 1998

Today's debate: Trade in the Americas

U.S. misses out on jobs as free trade opens S. America

OUR VIEW Others, including Mexico and Canada, not burdened by trade obstacles

President Clinton emerged from the first Summit of the Americas more than three years ago with a boast. "Free trade in our hemisphere has been talked about for years," he said, "but it will now become a reality."

Latin American countries took this message to heart. Since that meeting concluded, they've cut numerous deals to knock down trade walls. And the trend is accelerating.

On Saturday, for instance, the Mercosur trading block — Brazil, Argentina, Uruguay and Paraguay — announced plans to strike a trade deal with Central American countries, which plan to form a free trade bloc. Last Thursday, Andean pact countries inked a similar deal with Mercosur. Chile has signed free trade agreements with Mexico and Canada.

In the midst of all this free-trade frenzy, the U.S. has sat idly by. Of the 30-plus deals operating in this hemisphere, the U.S. is party to only one. Even the modest goal of getting Chile into the North American Free Trade Agreement has been put aside.

This is a problem with a mounting price. U.S. goods bound for Chile, for instance, still face an 11% tariff. Not so Canadian or Mexican products. Result: lost jobs and missed opportunities. Quaker Fabric Company, for instance, forfeited a $1.8 million Chilean contract to a competitor from Mexico because the Mexican firm could avoid the hefty tariff.

With the Latin American region growing in size and importance, the U.S. can ill afford to be left out. So at the second Summit of the Americas meeting, which concluded Sunday in Santiago, Clinton again promised to recharge U.S. free-trade batteries. The goal now: a hemispheric Free Trade Area of the Americas. Clinton assured Latin American leaders that "our commitment to the Free Trade Area of the Americas will be in the fast lane of our concerns."

By Claudia Daut, Reuters

Chile Summit: President Clinton and Chile's Eduardo Frei at meeting of hemispheric leaders.

It should be. But without "fast track" negotiating authority, countries will do little more than talk. Under fast track, Congress can vote up or down on a trade deal, but it can't amend it. Chile walked away from negotiations to join NAFTA because Clinton lacks fast-track authority. Back in 1988, negotiations on a worldwide trade agreement ground to a halt for eight months when fast track lapsed.

Last fall, Clinton pulled back a fast-track plan in Congress after failing to secure enough votes for passage. Trade protectionists on the left and right scared enough lawmakers away to ensure defeat. Few think prospects will improve in an election year, when parochial interests most easily override national priorities.

If Clinton is to make good on his promise at this year's summit, he'll have to take a much more decisive leadership role than he has since the last one. That means convincing the public that trade is good medicine. The enormous economic opportunity presented by a peaceful, prosperous Latin America is still ours to lose. Clinton shouldn't let it slip away.

President already has trade power

OPPOSING VIEW Clinton wants 'fast track' as a blank negotiating check.

By Pat Choate

The president of Mexico has negotiated a free-trade pact with Chile. The prime minister of Canada has concluded a similar agreement with Chile. But our president says he is unable to do the same.

He says that Chile and other nations refuse to negotiate trade treaties with him because the U.S. Congress now insists on exercising its constitutional duty to oversee, amend and ratify trade treaties.

He also says that no more trade deals will be possible until Congress grants him "fast track" negotiating authority — that is, until Congress agrees virtually to pre-approve any provisions in any trade treaty that he might conclude.

Since 1993, however, our president has negotiated more than 220 trade pacts, and has been negotiating the Multilateral Agreement on Investment with 28 other nations, without any fast-track authority.

How do we reconcile all these completed trade pacts with what our president says? Spin and politics, of course, are the answer. Clearly, the U.S. Constitution gives our president the authority to negotiate trade pacts with other nations. And obviously other nations will negotiate with him without fast track. What our president really wants is an extra edge in his relationship with Congress — the blank negotiating check that comes with fast track.

Between 1934 and 1994, Congress was willing to give a succession of presidents those extraordinary powers that fast track provides.

However, America faced extraordinary circumstances then — depression, World War II and the Cold War. Today, all that is past.

The U.S. Constitution provides the guide about what to do now. The president negotiates a trade treaty that is then presented to the U.S. Senate, where ratification requires a two-thirds majority vote of those present.

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.

Pat Choate is a Washington-based economist and author. In 1996, he ran as Ross Perot's vice-presidential candidate for the Reform Party.

USA TODAY · MONDAY, APRIL 20, 1998

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

LOS ANGELES TIMES
(first-edition) Page 1 for Monday, April 20, 1998:

Top 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 avery.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.avery.com and http://www.averydennison.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 averynet.com, averycorp.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 find 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.

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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

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 a 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 [illegible] that it may lack even the limited bite of decertification, which [illegible] 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.

Ranariddh the man who won United Nations-sponsored elections in 1993
still tears the nation apart.

In the aftermath of the coup Hun Sen staged against his co-prime minister last July, thousands of Cambodia's most educated sons and daughters have sought refuge and jobs abroad. To some, this is an ominous echo of the Pol Pot era (1975-79), when his ultra-Maoist fanatics methodically exterminated the educated class, doctors, teachers and, in the end, anyone who wore eyeglasses.

''We have total collapse of the rule of law in Cambodia," complains Sam Rainsy, the outspoken opposition leader who was wounded by a grenade attack last year that killed 16 of his followers and injured 100 more. ''Parliament sits in fear and passes laws that are unfair, unconstitutional and drafted by the government."

The country's richest man, Theng Bunma, president of the Cambodian Chamber of Commerce, has publicly boasted he paid Prime Minister Hun Sen and his allies $1 million, most of it in gold bars, to help them stage the July coup that sent Prince Ranariddh into exile with many of his followers.

In absentia the prince was convicted of arms smuggling and collusion with the Khmer Rouge and fined $53 million for the damage caused during the coup. In a typically Cambodian face-saving charade he has since obtained a royal pardon from his father, King Norodom Sihanouk.

The prince's return to Cambodia earlier this month was widely reported abroad, but not a single item appeared in the state-controlled media. He soon flew back to Thailand.

The Prince's small army is still holding out at the village of O'Smach near the Thai border, fending off periodic attacks by the Cambodian army.

Six years after the United Nations and the international community spent $2 billion to bring democracy to Cambodia, the United Nations Human Rights Commission this week will present a list of nearly 100 supporters of Prince Ranariddh who were executed after the coup.

The list has enraged Hun Sen's government, which now runs Cambodia with little political opposition. The report is sensitive because Phnom Penh has already lost the bulk of vital foreign aid accounting for two-thirds of its budget and its seat at the United Nations. Both were suspended because of international outrage over the coup.

Since July, many opposition figures have joined Hun Sen's Cambodian Peoples Party, which simply changed its name from the old Cambodian Communist Party.

''Hun Sen's hegemony has made Cambodia more prone to coup plots. He seems unwilling or unable to neutralize his enemies by non-violent means," said a recent report by the Singapore-based Institute of South-East Asian Studies.

Observes Sam Rainsy: ''If the international community washes its hands of Cambodia now that Pol Pot is dead and the Khmer Rouge defeated, it will leave Cambodia in the hands of Hun Sen, a former Khmer Rouge killer."

In a country whose people have learned from experience to hail the strongest man, Hun Sen has garnered a considerable following. The army is loyal to him. Some 6,000 Khmer Rouge defectors have sworn allegiance to his government, and most villages are under CPP control.

Hun Sen, a regional commander, defected to Vietnam from the Khmer Rouge in 1977. Installed as prime minister by the Vietnamese when they withdrew from Cambodia in 1989 after a 10-year occupation, he lost the 1993 elections by a narrow margin but threatened civil war unless he was included in a power-sharing arrangement.

Over the years he gradually removed his partners, often by force or threat.

''If you receive a warning here you either capitulate or you get out. If you play hardball you're dead," said a former independent newspaper publisher who has left the country.

Now and then Hun Sen makes a gesture of promoting law and order. He appointed Gen. Heng Pov as head of a newly created anti-drug squad after U.S. accusations that Cambodia had become a center for illicit drug production as well as a money-laundering center.

The general's task force was short-lived. His house was surrounded by military police last month, and he was effectively removed from office. His mistake? He had ordered the arrest of a military police officer on charges of drug trafficking.

Debate over lget surplus likely as Cong returns this week By David Hess Knight Ridder Newspapers (KRT)

WASHINGTON With estimates of this year's federal budget surplus soaring to $50 billion or more, a debate over what to do with the extra money is likely to mount as Congress returns to work this week.

Some Republicans want to use it to pay for big tax cuts. President Clinton wants to stash it away for Social Security. Liberal Democrats want to use part of it for education, environmental and social programs. And there are at least a dozen other serious variations on these themes.

The lack of consensus on what to do with the surplus cash, which could total as much as $100 billion in the next fiscal year, practically guarantees that nothing will be done with it except whittle down the national debt.

And that's just fine with many economists who say the federal government shouldn't tinker with an economy that's working better than it has in three decades. A tax cut or a spending increase could overheat the economy, trigger inflation, force the Federal Reserve Board to start ratcheting up interest rates and induce an economic setback, they warn.

''The surplus will be, and should be, used to reduce the debt," said Stan Collender, an economist with Burson-Marsteller. ''And that is exactly the right thing to do."

''After 30 years of deficits we need a period of surpluses," said Richard Berner, chief economist of the Mellon Bank in Pittsburgh. ''We ought to start paying down the federal debt. That would create a lot of really good things lower interest rates, lower-cost home mortgages, and a stronger position for the period, soon, when the costs of Medicare and Social Security start shooting up."

Despite such sentiments, there is still likely to be a noisy congressional debate over what to do with the spare money that's expected to flow in to the Treasury. The politics of an election year ensure a steady drumbeat of rhetoric.

House Budget Committee chairman John Kasich, R-Ohio, already has served notice that he intends to shoot for a five-year, $60 billion tax cut, at a minimum, and says $120 billion is not unreasonable. Senate Finance Committee chairman William Roth, R-Del., has set his cap for a $65 billion cut.

Kasich would pay for the tax cut largely by shutting down a couple of federal departments probably Commerce and Energy and closing a few corporate tax loopholes. If history is any guide, this will go nowhere at the White House, where the president has said repeatedly that he opposes the wholesale obliteration of major federal agencies.

Although Congress holds the power of the purse in squabbles over money, the odds appear to favor Clinton in the emerging confrontation.

For one thing, his proposal to pay off part of the federal debt owed to the Social Security trust fund is popular among voters.

Moreover, the president can veto legislation and likely sustain it in any showdown with the GOP-controlled Congress over key budget issues. Although the budget blueprint itself does not go to his desk, all of the enabling bills, including tax and spending legislation, do.

Any effort to use a surplus for either tax cuts or new spending also would require a three-fifths majority (or 60 votes) in the Senate. Without a consensus on what to do with the extra money, it will be virtually off-limits to would-be tax-cutters and big spenders.

After 1999, however, the impulses in Congress to spend and cut taxes will be stronger and more difficult to control if as many expect the surpluses continue to roll in.

''Even if (federal) revenue growth slows to 4 or 5 percent (a year)," Collender said, ''it's not impossible to foresee annual surpluses reaching $200 billion. Neither Congress nor the president are going to let them pile up. ... At some point, a consensus will emerge, and a tax cut or spending increases, or both, will be deemed appropriate. But not now."

Clinton, other leaders end summit with pledge to negotiate trade pact By Steven Thomma Knight Ridder Newspapers (KRT)

SANTIAGO Amid pomp and promise, President Clinton and 33 other leaders wrapped up their second Summit of the Americas Sunday with a pledge to negotiate a trade agreement that would unite nearly 800 million people in democracy and the marketplace.

While years of negotiations lie ahead between Clinton and Congress and between the United States and other countries the leaders confidently predicted they had started a process that will lead to better incomes and lives for people from Alaska to Argentina.

''The people of the Americas ... have launched a profound 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.

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.'

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's time, 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 InterAmerican 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

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 to 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 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 Valparaso 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 Moulia, 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. ''Mack" 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 saisfaction 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 Sens. 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, railroards 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.

Stressing a desire for private-sector solutions, the board said Friday 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 Jendrzejczyk, 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

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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

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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 confidence the US could contribute much to the process.

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

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.

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