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that it could take months to diminish completely.
key is the wind," Fu said. "Even if this is the beginning of the
e, it is going to persist through January and February.
We are not out of the woods by any stretch of the imagination."

Mexico Agrees to Negotiate Trade Pact With Europe (Mexico City) By James F. Smith (c) 1997, Los Angeles Times

MEXICO CITY Moving to reduce its overwhelming dependence on the United States, Mexico agreed with the 15-nation European Union on Monday to negotiate a trade pact that could eventually prove as far-reaching as the North American Free Trade Agreement.

Analysts said a Mexico-Europe trade agreement would allow Mexico to diversify its economic base away from its heavy reliance on the United States, which now absorbs nearly 80 percent of Mexico's exports. Furthermore, the agreement could give European companies an attractive channel for exports through Mexico to the growing markets throughout Latin America.

"This agreement will mean more opportunities for Mexican firms to grow, so Mexico as such will grow more, and U.S. exporters will then benefit as the Mexican economy grows. So everybody wins," said Isaac Katz, chief economist at the Autonomous Technical Institute of Mexico.

Mexican and EU officials, meeting in Brussels, Belgium, signed three agreements establishing a framework to start negotiations for a free-trade treaty early in 1998, following approval by the European Parliament and Mexican Congress. The talks are expected to take about two years similar to the time it took to negotiate the North American Free Trade Agreement.

As occurred with NAFTA, discussions on trade in agricultural products are expected to be especially sensitive. In negotiations on other trade accords, southern European countries in particular have pressed for protective tariffs for their food producers. Mexico would surely bargain for advantages for its growing agricultural export sector.

Mexico's biggest exports to Europe include oil, auto engines and computer parts. Europeans chiefly ship auto and electronic components and dairy and pharmaceutical products to Mexico.

Mexico's recovery from the 1994 peso crisis has been heavily driven by exports, and Mexican Under-Secretary for Commerce Jaime Zabloudovsky said recently that Mexico's total international trade should reach \$220 billion this year, making Mexico the world's 10th-largest commercial nation.

Mexican two-way trade with Europe has risen 30 percent in the 1990s, from a total of \$9.7 billion to \$11.3 billion. But Mexico's trade with the United States has increased so much faster during the same period up 151 percent to more than \$113 billion in 1996 that Europe's share of Mexican international trade has fallen from 11 percent to just 6 percent. In contrast to its current trade surplus with the United States, Mexico has consistently run a trade deficit with Europe.

Mexico Commerce Secretary Herminio Blanco said in remarks at the signing ceremony that Mexico's trade pacts with the United States, Canada and five other Latin American countries had left European companies at a disadvantage in recent years.

The treaty negotiations will cover issues such as the level and timing of reductions in tariffs and import taxes and decisions on which goods would be subject to longer phase-in periods, possibly stretching up to 15 years in some categories.

The German government has pushed hard for an EU-level trade accord with Mexico, which would complement bilateral investment agreements between Mexico and several European countries.

Some 80 German auto-parts companies have already set up shop here to supply Volkswagen's assembly plant, which will soon be exporting a new version of the Beetle to the United States under the advantageous NAFTA rules.

Johannes Hauser of the German-Mexican Chamber of Commerce here said an EU-Mexico free-trade treaty would foster much greater European fixed investment in Mexico since "the treaty opens the door to the whole continent for European investors."

The European trade negotiations reflect Mexico's growing confidence as a world economic player. In the Mexican capital on Monday, Energy Minister Luis Tellez met with Russian First Deputy Prime Minister Boris Nemstov to discuss oil production issues. Nemstov and Tellez said afterward they wished to study the idea of forming an organization of oil-producing nations that are not members of the Organization of Petroleum Exporting Countries.

Raul Hinojosa, a professor at UCLA who is regarded as an expert on NAFTA, said an EU-Mexico trade treaty "would not threaten what is the United States' second-largest trading relationship that between the U.S. and Mexico."

He said the Europeans wanted better access to Mexico's own market, which is projected to grow 7 percent this year. Furthermore, he said, the Europeans want to pursue "potential triangulation of investments in the United States and Mexico. For example, you have Germany's BMW investing in both the United States and Mexico. This mirrors the triangulation of trade by Japanese car manufacturers in both the U.S. and Mexico."

The Washington Times

http://www.washtimes.com

WASHINGTON, D.C., TUESDAY, DECEMBER 9, 1997

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Clinton to bypass Senate on Lee

GOP likens move to declaring 'war'

By Warren P. Strobel
and Nancy Roman
THE WASHINGTON TIMES

President Clinton plans to make a recess appointment of Bill Lann Lee as the Justice Department's civil rights chief next week, even as Republicans warn that the step would amount to a political "declaration of war."

White House officials said yesterday they plan to spend this week questioning GOP motives for opposing Mr. Lee, a Chinese-American who served as a lawyer with the NAACP Legal Defense and Education Fund.

But they denied that their strategy includes playing "the race card" against the GOP by making its opposition appear to be racially motivated.

While hoping their strategy will put overwhelming political pressure on Senate Republicans, White House aides acknowledged there is no chance they will get a Senate vote on the nomination.

Mr. Clinton will make the appointment "by early next week," said one senior administration official who asked not to be identified.

Republicans contend that Mr. Lee is an outspoken champion of affirmative action and cannot be trusted to handle discrimination matters in an even-handed manner.

"This would be a declaration of war halfway through the 105th Congress," said Sen. Mitch McConnell, Kentucky Republican, one of several top GOP lawmakers who warned yesterday against appointing Mr. Lee while Congress is out of session.

see LEE, page A10

Lawrence's widow ends burial debate



Place of prominence: M. Larry Lawrence's gravestone stands out in a coveted section of Arlington National Cemetery. His body will be moved.

Wants body taken from Arlington

By Rowan Scarborough
THE WASHINGTON TIMES

The widow of Democratic financier M. Larry Lawrence announced yesterday that she will remove his body from Arlington National Cemetery amid charges the former ambassador fabricated his World War II record.

If Mr. Lawrence did falsify his military record, it would be the first disinterment on these grounds, Arlington officials said.

The surprise decision from Shelia Davis Lawrence spares President Clinton the embarrassing decision of whether to have the remains disinterred once the State Department concluded an ongoing probe into Mr. Lawrence's background.

Pressure on the president had mounted in recent days to remove Mr. Lawrence from a coveted section of Arlington shared by such American heroes as Gen. Jimmy Doolittle, Gen. Maxwell Taylor and Navy Capt. Michael J. Smith, pilot of the ill-fated space shuttle Challenger.

The American Legion, the nation's largest veterans group, weighed in yesterday, saying the body must leave Arlington if the probe showed he never served in the merchant marine or was wounded, as he claimed.

Mrs. Lawrence decided yesterday to end the debate, a family spokesman said, and sent a letter to Mr. Clinton saying, "It is with profound sadness that I write you that I have decided to bring my late husband, M. Larry Lawrence, home to San Diego for interment near friends and family who love him."

"I remain convinced that Larry's wish to be buried at Arlington was justified by his courageous service as an American ambassador, even as he suffered from a most painful and ultimately fatal

see BURIAL, page A20

52 years later, a Marine 'just doing my job' is hailed as hero

By Robert Dvorchak
PITTSBURGH POST-GAZETTE

In the 52 years after the guns fell silent in the battle for Iwo Jima, Andrew Dupal returned home to Pittsburgh to put the war behind him, raise his family and work as a machinist until his retirement.

He never spoke about the bloody combat on that speck of volcanic rock and ash in the Pacific Ocean.

But on Dec. 12, Mr. Dupal —

much to his bewilderment — and five U.S. Marine Corps comrades will be recognized for their courage in helping to direct an air strike during the height of the fighting.

He will be presented with the Navy Commendation Medal with Combat "V" for valor from Marine Lt. Gen. Carol Mutter. That he and his platoon buddies were not honored earlier is a mere oversight.

"I never talked about it to anybody. I didn't think it was impor-

tant. I don't think I was a hero. I was just doing my job," said Mr. Dupal, 72. "This is a surprise to me."

What Mr. Dupal and members of his unit did on Feb. 24, 1945 — the fifth day of a six-week battle — did not go unnoticed at the time. The only explanation is that, in the fog of war, the paperwork never was submitted.

A rifleman with the rank of private first class, Mr. Dupal, then 19, was a member of the 1st Platoon of Company F in the 2nd Bat-

talion of the 27th Marine Regiment, 5th Marine Division. He had gone ashore with the first wave of the amphibious landing and fought inland to a spot the Marines called Death Valley.

The island's Japanese defenders were dug into tunnels and caves, and their guns stopped the advance of Mr. Dupal's company.

The situation demanded that the Marines call in air support. But because the opposing forces

see MARINE, page A20

Fuel transfer may relate to TWA blast

Engineer's action was last on record before explosion

By Frank J. Murray
THE WASHINGTON TIMES

BALTIMORE — A rookie flight engineer's unusual fuel transfer and a pilot's concern about a "crazy fuel flow indicator" were recorded in the final minutes before TWA Flight 800 blew apart and killed 230 persons, crash investigators reported yesterday as public hearings on the disaster opened here.

National Transportation Safety Board investigators disclosed that a newly hired and totally inexperienced engineer, Oliver Krick, 25, conducted the fuel transfer minutes before Flight 800 exploded. One minute and 50 seconds before his Boeing 747 was destroyed, pilot Ralph Kevorkian said, "Look at that crazy fuel flow indicator there."

Meanwhile, NTSB staff members and outside experts went to great lengths to rule out any chance a missile was involved, saying it would

have left unmistakable evidence.

"There's no question that a missile could have reached TWA 800," Richard Bort of the U.S. Navy's China Lake facility said. But he went on to "conclusively rule out the possibility" and said investigators would have found obvious signs from a bombing.

The FBI said last month that its massive investigation found no evidence that a missile or bomb caused the July 17, 1996, crash.

Asked if a missile could have self-destructed just before hitting the plane, destroying it without piercing the fuselage, Mr. Bort said, "The possibility that occurred is hard to imagine."

As he opened the agency's largest-ever hearing, at the Baltimore Convention Center, NTSB Chairman James E. Hall set the stage for more confrontation on safety issues by expressing disappointment that the Federal Aviation Ad-

see TWA, page A12



A mother's agony: Kathy Rogers reacts to a computerized re-enactment of TWA Flight 800.

Clinton avoids fight over tobacco funds

Congress to decide federal, state shares

By Samuel Goldreich
THE WASHINGTON TIMES

The Clinton administration, under fire from Congress, has backed away from demanding that states pay more than half the money they win in tobacco settlements to the federal Medicaid program.

President Clinton sent a letter Friday to the National Governors' Association in an effort to avoid a legal fight over how to divide money from the \$368.5 billion health liability settlement proposed in June by 39 state attorneys general and the nation's top five tobacco companies.

Mr. Clinton wrote, "I would prefer to see the allocation of tobacco funds between federal and state government resolved through legislation, and I look forward to working with the states and with

Congress to find a mutually agreeable purpose for the funds generated by the tobacco legislation."

The letter lets some of the steam out of an issue heating in Congress, where several members accused the White House of trying to grab billions of dollars after states pursued their tobacco lawsuits with no help from the administration.

Rep. Michael Bilirakis, Florida Republican, who conducted a hearing on the tobacco settlement yesterday, said an administration claim for tobacco money would misuse a law intended only to deplete the states to recover Medicaid money lost to fraud and abuse.

"The federal government is attempting to shoehorn the tobacco settlement into this statutory pro-

see TOBACCO, page A12

Gore dares Congress to resist pact

U.S. may give way on emissions cuts to sign Kyoto deal

By Willis Witter
THE WASHINGTON TIMES

KYOTO, Japan — Putting his political future on the line, Vice President Al Gore said yesterday he would welcome a "knock-down, drag-out" battle to push a proposed global-warming treaty through Congress.

"It would be high stakes and a lot of fun. I would look forward to it," Mr. Gore told reporters during an 18-hour visit to the U.N. Convention on Climate Change in Kyoto.

Mr. Gore flew back to Washington last night, after granting U.S. delegates "increased negotiating flexibility."

Delegates from 166 nations face a deadline tomorrow to complete a treaty cutting emissions of gases



Getting to the point: Vice President Al Gore takes questions from the press yesterday in Kyoto.

that industrial nations trim emissions back to 1990 levels by the year 2012. Mr. Gore hinted that Washington was prepared to offer even steeper cuts in an attempt to close a deal.

As Mr. Gore departed on a crisp autumn night, he left behind an angry group of U.S. lawmakers, who warned that such a treaty would

from a commitment that they said was based on uncertain science.

They also warned that Mr. Gore's uncompromising environmentalism could ultimately doom his anticipated bid for the White House.

"As the negotiations now stand, it is not salable to the American people," said Rep. F. James Sensenbrenner Jr., chairman of the House Science Committee.

The Wisconsin Republican said the treaty would be unfair "if the United States ends up increasing energy costs to consumers" while receiving only vague promises of future pollution cuts from countries such as China and India.

In its present form, a proposed treaty would impose binding limits on 34 industrial nations while exempting more than 130 developing countries.

The latter group, which includes big polluters such as China, is expected to produce more than half of the world's heat-trapping gases by early next century. But these countries argue that limiting them to current emission levels would

Leesburg drug dealers find new neighbors pesky

Next-door cops' housewarming's a bust

By Gerald Mizejewski
THE WASHINGTON TIMES

LEESBURG, Va. — Leesburg police last night closed out a six-month drug investigation, and officers only had to go a few hundred feet from headquarters to arrest eight suspected crack cocaine users and dealers at a public housing complex.

About 45 officers — from local, state and federal agencies — assembled in a meeting room in the new Leesburg police station for a 7 p.m. briefing, then loaded up their body armor hand cuffs guns,

It's only about 20 feet from one side of the new police building to an apartment complex overlooking it.

Authorities could not explain why the Loudoun House Apartments continue to be a haven for illegal drug activity even after the town of 25,000 residents opened its new, high-tech, \$5.5 million police headquarters next door this year.

"The arrogance of some of the people involved in this trade sometimes is just startling," said Michael Zerega, a spokesman for the Office of the Inspector General at the federal Department of Housing

INSIDE

Tuesday, December 9, 1997
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5 Sections, 62 Pages

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PRAYER GROUP THREAT — After the shootings of students in West Paducah, a prayer group at another Kentucky high school cancels its meetings when one of the members receives a death threat. A3

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1000 BROADWAY, NEW YORK, NY 10018

VIEWPOINT

Hemisphere trade without 'fast track'

Ambler Moss is director of the North-South Center and professor of international relations at the University of Miami and of counsel to the law firm of Greenberg Traurig in Miami. A former U.S. ambassador to Panama, he wrote this article for The Herald.

By AMBLER MOSS

Earlier this month Congress dealt President Clinton a heavy blow by refusing him "fast track" authority to negotiate trade agreements. While Washington pundits did political autopsies on the event, Latin America went into shock. What does it mean in terms of the U.S. role in creating the centerpiece of the 1994 Miami Summit, a Free Trade Area of the Americas, the FTAA? Has Washington opted out?

Economic integration and free-trade arrangements will continue in the Hemisphere, of course, with or without the United States. There are more than 30 free-trade agreements in the Hemisphere, many of which existed before NAFTA. Yet, it would be a strange paradox to see an FTAA built to include the whole Hemisphere except for two countries, the United States and Cuba. (The latter has not been a part of the summit process because of incompatible political and economic systems.)

Despite the failure of fast-track legislation, however, that is not going to happen. In a way, it is a shame that passage of fast track became such a litmus test of U.S. political will both here and in Latin America. That part of the summit process that relates to economic integration involves more than a trade agreement. When the Hemisphere heads of state and government next meet in Santiago, Chile, in April, economic topics in addition to trade will be on the agenda — such as the improvement of capital markets and ini-

tiatives in energy, transportation, and telecommunications. The presidents and prime ministers will also discuss mainstream summit-process themes such as education, democracy and human rights, poverty and sustainable development. After all, 150 specific initiatives came out of the Miami Summit, only several of which involved trade.

Nor is the fast-track rebuff a sign that the United States is headed for a new historical era of protectionism. Congress is not talking about raising tariffs or undoing NAFTA and U.S. participation in the World Trade Organization (WTO). Since Franklin Roosevelt began in 1934 to lower the major trade barriers imposed in 1930, this country has been moving in a free-trade direction. Congress may have slowed that process but has not reversed it.

What, however, does the fast-track failure mean specifically for the FTAA? To be sure, it has negative consequences, but these are balanced by ongoing positive elements. We need to examine them in their proper perspective.

Admittedly, the rebuff weakens, in foreign eyes, the image of this country as a leader. That is why Secretary of State Madeleine Albright urged the passage of fast track as a "foreign policy imperative." In a world where economic power has substantially replaced military power as the criterion of leadership, it means a major loss of prestige. Fast track had a significance beyond just trade, particularly in inter-American relations. If the United States cannot come through on trade, it can expect less cooperation on other issues.

When the president goes to the next Hemispheric Summit in Santiago, he may be the only head of government to lack full authority to negotiate trade agreements. Aside from the embarrassment, an immediate consequence may be that the bolder blueprint for completion of the FTAA, advocated by this country and Canada, may give way by default to the more gradualist model espoused by Mercosur (the common market of Argentina, Brazil, Paraguay and

Uruguay). In fact, Mercosur may be able to create a kind of "SAFTA" — a South American Free Trade Area, which can then negotiate with the North from a position of greater strength.

U.S. failure is also seen by others outside the Hemisphere as opportunity. The day after fast track failed, the European Union announced that it would seek to accelerate by one year, from 2001 to 2000, its free-trade arrangements with Mercosur.

Within the United States, we may see more industries moving production into such trade areas as Mercosur with direct investment. They will not be willing to wait for the FTAA to break down tariff barriers. This is ironic, as saving U.S. jobs was an argument used by opponents of fast track. Nor will environmental protection necessarily be enhanced by the outward migration of U.S. industries.

From a technical standpoint, the fast-track failure does not change the world in some practical terms. If an FTAA is to materialize, its text will not take form for several more years, time enough for the United States to revisit the issue. Meanwhile, the 12 working groups already set up by the trade ministers can continue to negotiate essential topics such as customs procedures, rules of origin, market access, intellectual property rights, government procurement and dispute settlement. The United States has been and will be a vigorous participant in these forums. No fast-track authority is needed to make progress in these areas; doing so will enhance trade and capital flows across borders.

Business, in any event, is global and does not wait for government. It will make its own plans to move ahead. Existing major trading arrangements through the WTO are infrastructure enough to move boldly in world markets. Latin America is increasingly important to U.S. business. The region will continue to offer great opportunity, with or without fast track. By the first decade of the next century it is expected to become the world's major market for U.S. products and services, greater than Europe and Japan combined.



Moss

Eric
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ROUTINE

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WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02

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SIT: DELAURENTIS DESOUZA DOBBINS HOFMANN ORFINI PICCONE

SIT: NSC

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WHITE HOUSE PLEASE PASS TO COUNSELLOR MCLARTY

E.O. 12958: N/A

SUBJECT: MEDIA REACTION - PORTPONEMENT OF VOTE ON FAST
TRACK LEGISLATION

1. INFLUENTIAL, SANTIAGO FINANCIAL DAILIES EL DIARIO
AND ESTRATEGIA (11/12), RAN OPINION PIECES ON THE
POSTPONEMENT OF THE CONGRESSIONAL VOTE ON FAST TRACK
LEGISLATION.

2. EL DIARIO (11/12) CARRIED AN EDITORIAL ENTITLED
(QUOTE)THE DEFEAT OF FAST TRACK (END QUOTE). BLOCK
QUOTE FOLLOWS:

(QUOTE) PRESIDENT BILL CLINTON'S DECISION TO
POSTPONE THE VOTE ON FAST TRACK FOR NEXT YEAR IS FROM
ALL POINTS OF VIEW A BIG DEFEAT FOR THE U.S.
PRESIDENT...

(QUOTE) IT NOT ONLY HAS DOMESTIC IMPLICATIONS --
THAT CLINTON LACKS THE LEVERAGE NEEDED IN THE DEMOCRATIC
PARTY ON IMPORTANT DECISIONS -- BUT ALSO INTERNATIONAL
ONES.

(QUOTE) ... NOTABLY, THE EFFECT ON GLOBAL TRADE
LIBERALIZATION IN GENERAL, ON THE CHANCES OF
ESTABLISHING THE WIDELY ANNOUNCED FTAA, AS WELL AS
CHILE'S ACCESSION TO THE NORTH AMERICAN FREE TRADE
AGREEMENT, NAFTA.

(QUOTE) IN THE FIRST INSTANCE, PARTICULARLY THE

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IMAGE (OF THE U.S.) AS THE CHAMPION OF FREE TRADE WILL BE STRONGLY CRITICIZED, SINCE IT IS CLEARLY EVIDENT THAT PROTECTIONISM IS GAINING HOLD IN THE UNITED STATES...

(QUOTE) AS TO THE FTAA, IT IS CLEAR THAT THE MOMENTUM THE INITIATIVE COULD HAVE BEEN GIVEN BY FAST TRACK HAS BEEN CONSIDERABLY HINDERED ... IT ALSO INCREASES THE CHANCES OF MERCOSUR STRENGTHENING ITS INFLUENCE IN THE REGION AND TAKING STEPS TO EXPAND TO ALL OF SOUTH AMERICA...

(QUOTE) ... ALTHOUGH IT IS TRUE THAT CLINTON'S DECISION IS A MATTER OF DOMESTIC POLITICS, ITS GLOBAL EFFECT AND IMPACT IS SIGNIFICANT AND COULD BECOME AN OBSTACLE FOR THE LIBERALIZATION OF TRADE. (END QUOTE).

3. ESTRATEGIA (11/12) RAN AN OP-ED PIECE ENTITLED (QUOTE) FRUSTRATED FREE TRADE (END QUOTE), WRITTEN BY REGULAR COLUMNIST AND DEAN OF THE FACULTY OF ECONOMICS AT THE UNIVERSITY OF CHILE, LUIS RIVEROS. BLOCK QUOTE FOLLOWS.

(QUOTE) THE FAILED ATTEMPTS TO ACHIEVE FAST TRACK TO NEGOTIATE A FREE TRADE AGREEMENT WITH THE UNITED STATES HAVE BECOME RECURRENT. ALL ATTEMPTS HAVE ENCOUNTERED THE STRONG HOLD THAT PROTECTIONISM HAS GAINED IN THE AMERICAN ECONOMY, UNDERMINING LEGITIMATE POLITICAL CLAIMS... THIS CAN NO LONGER BE REGARDED AS CIRCUMSTANTIAL, BUT RATHER AS A PERMANENT EFFORT TO PROTECT LOCAL (ECONOMIC) ACTIVITY AT THE EXPENSE OF HOW MUCH THE ECONOMY AS A WHOLE COULD HOPE TO GAIN WITH A TRADE AGREEMENT.

(QUOTE) FOR MANY YEARS, THE UNITED STATES WAS THE COUNTRY WHICH MOST STRONGLY ADVOCATED ECONOMIC FREEDOM AND TRANSPARENCY, CORNERSTONES FOR AN OPEN AND COMPETITIVE ECONOMY. IN TIME, THE DISCOURSE HAS BEEN REPLACED BY A PROTECTIONISM WHICH BECOMES MORE AND MORE EVIDENT, AND WHICH DOES NOT EVEN OFFER THE POSSIBILITIES OF A LONG-TERM ALTERNATIVE IN MATTERS OF COMMERCIAL OPENNESS... IN FACT, WE ARE MOVING TOWARD A SITUATION IN WHICH THE OLD LEADERS OF THE WESTERN COUNTRIES ARE RESISTING A SITUATION THAT THEY THEMSELVES CREATED BY PROMOTING OPENNESS AND THE INTEGRATION OF LESS DEVELOPED NATIONS... (END QUOTE.)

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E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

17-Nov-1997 11:02am

TO: RONNEL_S

FROM: Sanz, Maria Luisa

SUBJECT: Media Reaction Nafta;Santiago

Nafta

1. Influential, conservative Santiago daily El Mercurio (11/17) carried an op-ed piece entitled (quote) Unions and Democrats (end quote). Block quotes follow:

(Quote) The withdrawal of the (fast track) initiative is a tremendous triumph for the U.S. labor movement and marks the unions return to the center of the nation's political scenario after years of being practically ignored...

(Quote) The success of the campaign shows the importance acquired by labor confederations thanks to their contributions to the democrats in the House of Representatives...

(Quote) This has been Clinton's most humiliating defeat since his unsuccessful attempt to reform the health system in 1993, and in a certain way, more painful since it came from his own party...

(Quote) It is possible that the protectionist fears will not last long. The virtues of treaties could eventually be accepted by a larger portion of Americans, but Clinton's leadership to promote the FTAA in our hemisphere, before the Asian APEC nations and the WTO, has been compromised (End Quote).

2. Four Santiago dailies quoted conservative think tank Instituto de Libertad y Desarrollo on the postponement of the vote on fast track.

Popular Las Ultimas Noticias (11/17) in a piece entitled (quote) Unfulfilled Promises (end quote) quotes the think tank:

(Quote) ... The postponement of fast track vote is extremely serious ... It will translate into a loss of credibility of the United States, basically because it shows it has not fulfilled the promise made by former president George Bush ... It shows the United States' loss of leadership in matters regarding free trade... (end quote)

3. Circulation-leading, popular, conservative La Tercera (11/17):

(Quote) ... (The decision) not only puts the free market economic model at risk... It also paves the way for the more protectionist countries of Latin America to lead the region.... (end quote)

4. Financial daily Estrategia:

(Quote) ... (The postponement) could pave the road for more protectionist countries to take Latin America in another direction... (end quote)

5. Influential, centrist La Epoca (11/17):

(Quote)... The decision puts a stop to the promotion of global trade, whose freedom and openness is the best means to improve the well-being of humanity... (end quote)

Maria Luisa Sanz

Press Section

USIS SANTIAGO

Tel: (562) 330-3352

Fax: (562) 330-3160

Internet:mlsstgo@usia.gov

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

13-Nov-1997 03:12pm

TO: RONNEL_S

FROM: Sanz, Maria Luisa

SUBJECT: Media Reaction Fast Track;Santiago

Vote on Fast Track Legislation

1. Santiago financial daily Estrategia, and influential, conservative afternoon daily La Segunda ran editorials on the postponement of the Congressional vote on Fast Track legislation.

2. Estrategia (11/13) carried an editorial entitled (quote) Postponement of Fast Track (end quote). Block quote follows:

(Quote) ...It is unusual ... for a country that for two centuries has waved the flag of free competition and open trade -- sometimes even forcing other nations to open their frontiers-- to take a position with a protectionist slant. It is clear that part of the American political class does not yet see the advantages to reciprocal free trade, and supports free trade when it promotes opening markets for U.S. firms only ...(End quote).

3. La Segunda (11/13) ran an editorial entitled (quote) Defeat of Fast Track (end quote). Block quotes follow.

(Quote) The withdrawing of the bill authorizing fast track... is a personal defeat for President Clinton which could affect the last part of his term...

(Quote) But beyond the consequences of this episode for the domestic situation of the United States, it shows a serious inconsistency between the official position regarding free trade and its concrete measures. The opening (of markets) that it proclaims in theory is not supported by actions...

(Quote) In the short-term, not having fast track .. casts a shadow over the upcoming Summit of the Americas scheduled to take place in Chile. It undermines the hopes of a new stage of relations between Latin America and the United States to the point that it takes away the core

meaning of the summit. (The summit) seemed to be destined to be a real point of departure for the U.S.'s FTAA proposal, whose objective is to create a common market of significant proportions before the end of the next decade.... (End quote)

Maria Luisa Sanz

Press Section

USIS SANTIAGO

Tel: (562) 330-3352

Fax: (562) 330-3160

Internet:mlsstgo@usia.gov
