

ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: psmyme (psmyme@avcinc.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:15-JAN-1998 12:02:00.00

SUBJECT: Re: Requested Bilateral Meetings for Mack McLarty

TO: nelson w. cunningham (Nelson W. Cunningham@EOP [UNKNOWN])

READ:UNKNOWN

TEXT:

Thanks Nelson,

I can't tell if the message below was cut off or not, but we will proceed with the following and get back to you as soon as there is news. It's important that you let us know any commitments you all make so as to avoid a conflict in schedule. We will base ourselves on the agenda we keep in Geneva for Mr. McLarty's activities in Davos to set appointments.

I am copying this to my colleagues in Geneva who are handling the schedule for the public figures from Latin America.

I was supposed to be in DC this afternoon to meet with Melanne but winter here and there plotted against that, so instead it will be a conference call.

Take care, Paul

Nelson_W._Cunningham@oa.eop.gov on 01/15/98 10:32:00 AM

To: Paul Smyke/AVC

cc:

Subject: Requested Bilateral Meetings for Mack McLarty

Message Creation Date was at 15-JAN-1998 10:32:00

As promised, here is our list of requested bilateral meetings at the Davos conference. Your assistance in helping to schedule these meetings would be much appreciated.

President Ernesto Zedillo

Foreign Minister Rosario Green (if attending)

Trade Minister Sergio Marchi

President Eduardo Frei

Foreign Minister Jose Miguel Insulza

President Fernando Henrique Cardoso

Foreign Minister Luis Felipe Lampreia

Education Minister Paulo Renato de Souza

President Carlos Menem

Foreign Minister Guido DiTella (if attending)

Economy Minister Roque Fernandez

Vice President Jorge Quiroga

Investment Vice-

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

RFC-822-headers:

Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01I5EJBYXJHS0065EV@PMDF.EOP.GOV> for "Nelson W. Cunningham"@oa.eop.gov;

Thu, 15 Jan 1998 11:01:33 -0500 (EST)

Received: from storm.eop.gov (storm.eop.gov)

by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I5EJBXDTBK00NIES@PMDF.EOP.GOV> for

Nelson_W._Cunningham@oa.eop.gov; Thu, 15 Jan 1998 11:01:31 -0500 (EST)

Received: from avcinc.avcinc.com ([208.210.252.2])

by STORM.EOP.GOV (PMDF V5.1-7 #6879)

with SMTP id <01I5EJBFD1RA001J2L@STORM.EOP.GOV> for

Nelson_W._Cunningham@oa.eop.gov; Thu, 15 Jan 1998 11:01:08 -0500 (EST)

Received: by avcinc.avcinc.com(Lotus SMTP MTA SMTP v4.6 (462.2 9-3-1997))

id 8525658D.005813EB ; Thu, 15 Jan 1998 11:02:02 -0500

X-Lotus-FromDomain: AVC

===== END ATTACHMENT 1 =====

ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: news-errors (news-errors@mx.lodo.infobeat.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:21-JAN-1998 04:57:00.00

SUBJECT: News - Morning Edition @ 01/21/98

TO: Michael F. Crowley (Michael F. Crowley@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

Morning Edition for Wednesday, January 21, 1998

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business card? Visit iPrint, the Discount Internet

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Visit iPrint Today and Save: <http://www.iPrint.com>

U.S. Front Page Stories

- *** Netanyahu offers to cede territory under conditions
- *** Judge rejects N.Y. lawyer's lawsuit in JonBenet case
- *** Shootout figure implicates brother in Oklahoma bombing
- *** Starr probes report of White House affair
- *** U.S. mulls budget surplus after decades in deficit
- *** Anti-drug campaign launched in 12 U.S. cities

Crime and Catastrophe

- *** 2 killed in Indianapolis day care center
- *** Fla. man accused of killing wife with hatchet
- *** Killer executed after 24 years on Arizona death row
- *** Lawyers seek to stop Karla Faye Tucker execution
- *** Philadelphia woman says boyfriend held her hostage
- *** Writer's son pleads guilty to murder victim theft

The U.S. Political Scene

- *** Tax-writing House panel outlines social goals
- *** Feinstein steps out of Calif. governor's race
- *** Congress to open hearings on Babbitt's casino role
- *** Satcher faces new opposition for surgeon general
- *** House Democratic leader issues tax reform plan
- *** Ban genetic discrimination, Gore urges Congress

The Courts

- *** Kaczynski competent; decision Thursday on counsel
- *** Justice says Microsoft interferes with case
- *** U.S. judge issues split decision on Bible class
- *** Ex-POW sentenced for killing son-in-law

*** Jury selection begins in Texas cadet murder case

*** TV's Winfrey cheerful as Texas beef jury is chosen

World Front Page Stories

*** U.S. wants diplomatic end to Iraq crisis-Cohen

*** Northern Irish plead for end to guerrilla killings

*** UN 'fire brigade' idea splits experts

*** El Nino made 1997 record hot year - UN weather body

*** Yugo court dismisses Blaskic death threat report

*** UN Population Fund launches new worldwide campaign

The World Political Scene

*** 2 bombs hit Algiers as EU mission ends

*** West frets over countdown to crisis in Cyprus

*** UN arms talks open with Clinton plea on landmines

*** Indonesia keeps Taiwan premier visit under wraps

The Americas

*** Tears, joy, prayer in Havana before pope's arrival

*** Menem hopes Canada joins Mercosur in 6 months

*** Guatemala gang rape suspect is jailed pending trial

- *** Update: Chilean court to probe Pinochet for genocide
- *** Mexico Indians reject out-of-date aid in Chiapas
- *** Colombian drug lord said to admit U.S. shipments

Europe and Russia

- *** Carlos says 'in Libya' at time of French bombings
- *** Yeltsin fears some CIS members want to quit
- *** IRA martyr's sister launches hardline Irish group
- *** Jospin holds his ground on Europe, jobs
- *** Update: Havel re-elected Czech president
- *** Yeltsin says military reform underway

Africa

- *** Zimbabwe says deploying army to quell riots
- *** Burundi rebels vow to press on with war
- *** Zambia court orders evidence released for Kaunda
- *** Opposition politician arrested in Democratic Congo
- *** Libya said to regard air embargo as worst sanction
- *** 3 killed, 12 wounded in Kenya tribal clash

India and the Middle East

- *** Arafat 'keen' on Holocaust Museum visit
- *** Turkey holds over 200 Iraqi migrants
- *** Arabs decry trial of Frenchman doubting holocaust
- *** PLO self-rule run as 'police state' - rights group
- *** Saudis hit back over UK torture report
- *** Jordanian Islamist leads prisoners home from Iraq

The Far East

- *** China invites U.N. rights visit
- *** Suharto seeks to stay president; rupiah falls
- *** China woos Taiwan, but Taipei cool
- *** UN special envoy arrives in Myanmar for talks
- *** U.S. defence secretary meets Japanese prime minister
- *** Cambodian king declines to meet U.S. official

Science and Medicine

- *** Cows eggs used to clone other mammals
- *** Don't pass bad cloning law, U.S. doctors urge
- *** Technology transforms abortion, 25 years after Roe
- *** Md. study questions Lyme Disease treatment
- *** U.S. study questions benefits of automated Pap test
- *** U.S. opposes more assessment in EU beef hormone case

Technology

- *** Compaq, Intel, Microsoft in Internet alliance
- *** AT&T, NCR in 3-yr wireless deal
- *** Intel to unveil networking products
- *** IDT offers \$0.05/minute Web phone calls
- *** Microsoft to ship NT 5.0 trial midyear

The Environment

- *** Urgent work needed on Russian nuclear waste - BEAC
- *** Rome's eco-mafia moving north
- *** Bored with bungee jumping? Try swimming with a shark
- *** Protest as Japan-bound N-ship docks in France
- *** Bardot again fined for inciting racial hatred
- *** Warm El Nino waters bleaching Galapagos corals

Human Interest

- *** McDonald's Israel adopts Burger King-like cooking
- *** 4 Americans jailed in Sweden for Nazi salutes
- *** Americans lead world in eating ice cream
- *** Canadians make legal buck out of marijuana
- *** UK bad boy Marco keeps 3-star Michelin tag

U.S. Front Page Stories

*** Netanyahu offers to cede territory under conditions

Israeli Prime Minister Benjamin Netanyahu said Tuesday he was discussing with U.S. officials an agreement to cede certain territory as the Palestinians did more to crack down on Muslim extremists. The Israeli leader said he did not expect to stay on in Washington to meet Palestinian leader Yasser Arafat, scheduled to meet Clinton Thursday. He said Washington's increasing impatience with Israel was "against truth and fairness" and actually discouraged Arafat from doing more to crack down on Muslim extremist attacks. "We're prepared to conduct a further redeployment to advance the peace process, provided we don't touch on Israel's basic security requirements," he said. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055451-10b>

Clinton, Netanyahu weigh new ideas, to talk again, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053722-276>

*** Judge rejects N.Y. lawyer's lawsuit in JonBenet case

A judge dismissed a lawsuit Tuesday by a N.Y. lawyer who wanted a special prosecutor named in the JonBenet Ramsey murder case because

the district attorney had not arrested the child's mother. "The courts may not ordinarily intrude into the prosecutor's sphere by compelling him to initiate prosecution of a particular individual," said Boulder District Court Judge Roxanne Bailin of the case brought by attorney Darnay Hoffman. Hoffman filed a lawsuit in Boulder Nov. 19 asking a state court judge to compel Boulder County District Attorney Alex Hunter to explain why he has not arrested Patricia Ramsey. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7054780-a25>

*** Shootout figure implicates brother in Oklahoma bombing

A brother caught on videotape in a shootout with police told a court Tuesday his brother was involved in the bombing of a federal building. "At this point, I do have knowledge my brother was involved in the bombing of a federal building," Cheyne Kehoe, 21, said before he was sentenced to 24 1/2 years in prison. Cheyne Kehoe was convicted this month of 1 count of attempted murder, 2 charges of felonious assault and 1 of carrying a concealed weapon. The FBI confirmed last week it was investigating a report Chevie Kehoe, 24, told a motel manager he wanted to watch TV the morning of the Oklahoma City bombing because he expected something major was about to happen. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053911-92b>

*** Starr probes report of White House affair

Independent prosecutor Kenneth Starr is investigating if President Clinton and his close friend, Vernon Jordan, told a 24-year-old White House intern to lie about her relationship with Clinton, the Washington Post and ABC News said Wednesday. The Post said a 3-judge appeals court panel authorized Starr to expand his investigation into the failed Whitewater land deal to examine allegations of induced perjury, false statements and obstruction of justice involving the president. At issue are allegations Clinton and Jordan directed former White House intern Monica Lewinsky to testify falsely in the sexual harassment case brought against the president by Paula Jones. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7058668-043>

*** U.S. mulls budget surplus after decades in deficit

After decades of deficits, the U.S. government is on the brink of a budget surplus and politicians have giddily begun discussing how to spend it. President Clinton has promised the budget he is due to send the Republican-held Congress on Feb. 2 will be in balance. But he also plans to open the floodgates to billions of dollars in new spending on child care, education and medical research. That Clinton is able to propose a balanced budget, along with new spending, three years ahead of the schedule laid out in last year's landmark budget agreement, reflects the booming U.S. economy that has swelled revenues. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048243-765>

*** Anti-drug campaign launched in 12 U.S. cities

Youngsters in 12 U.S. cities will be bombarded over the next 4 months by a \$20 million anti-drug campaign unveiled Tuesday in Atlanta.

White House drug czar Barry McCaffrey outlined details of the advertising blitz, which is part of the Clinton administration's \$195 million nationwide media campaign against illicit drugs. "Drug use among our children is alarmingly high ...," McCaffrey said. McCaffrey said on an average day 6,488 U.S. youngsters try marijuana for the first time, 1,786 try cocaine and 386 use heroin. The 12 cities chosen for the anti-drug campaign are Atlanta; Baltimore; Boise, Idaho; Denver; Hartford, Connecticut; Houston; Milwaukee; Portland, Oregon; San Diego; Sioux City, Iowa; Tucson, Arizona and Washington. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7048634-11a>

Crime and Catastrophe

*** 2 killed in Indianapolis day care center

2 women were shot to death in a domestic dispute Tuesday in a house being used as a day care center for children, in Indianapolis, police said. None of 9 children in the house at the time was injured. Police said they arrested Robert Bigbee, 69, who lived at the residence and was a long-time companion of one of the victims. Police said the violence stemmed from what they called a domestic disturbance. The names of the victims - the woman who ran the center and her helper -

were not released. It was not clear if the home was a licensed day care center or operated informally.

***** Fla. man accused of killing wife with hatchet**

A Florida man accused of hacking his wife to death with an ax as his children and neighbors pleaded with him to stop was denied bail Tuesday. Neighbors said Pui Kei Wong, 49, chased his wife of 20 years, Nga Seong Wong, to the screened front porch of their home in Hollywood, Fla., Monday, knocked her to the ground with a hatchet and hit her a number of times in the face. The couple's 13-year-old son and 15-year-old daughter were home at the time. The son ran outside shouting for someone to stop his father, witnesses said.

Investigators said the man suspected his wife had been unfaithful.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=7049042-e8d>

***** Killer executed after 24 years on Arizona death row**

Arizona's longest serving death row inmate was executed early Wednesday for the brutal 1974 murder of a couple in their south Phoenix home, prison officials said. Officials said Jose Jesus Ceja died from a lethal injection at 12:05 MST at the state prison complex in Florence, Ariz. Ceja, 42, had no last words after he received the fatal dose. Ceja served 23 years on death row for the double murder of Linda and Randy Leon in mid-1974. He was 18 years old at the time of the killings. He was the 9th person to be put to death in Ariz. since the state resumed capital punishment in 1992 after a 29-year

absence. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7059339-3c2>

***** Lawyers seek to stop Karla Faye Tucker execution**

Lawyers for condemned killer Karla Faye Tucker asked an appeals court Tuesday to stop her execution because she was now a good Christian woman. In a 150-page motion for a stay of execution filed with the Texas Court of Criminal Appeals, Tucker's lawyers also charged the state's clemency process was so flawed as to be unconstitutional.

Tucker, 38, is set to become the first woman executed in Texas since the Civil War Feb. 3. The last was Chipita Rodriguez, hanged in 1863 for killing a horse trader. Tucker was sentenced to death for the pickax murder of a man and woman in Houston during a 1983 burglary.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=7049877-59f>

***** Philadelphia woman says boyfriend held her hostage**

Police searched Tuesday for a 30-year-old man who allegedly held his girlfriend hostage for 3 months in a north Philadelphia apartment, repeatedly beating and raping her. The ordeal for the 25-year-old woman ended Monday when she arrived at a police precinct office in the city's Fern Rock section, claiming her boyfriend had kept her in handcuffs and threatened to harm her children if she told authorities. The woman also told police her captor was responsible for a number of robberies in surrounding neighborhoods during her captivity. Officers got a warrant, searched the 2nd-floor apartment

and seized evidence. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053284-635>

*** Writer's son pleads guilty to murder victim theft

The son of writer Paul Auster pleaded guilty Tuesday to stealing more than \$3,000 from the body of a Colombian murder victim, killed nearly 2 years ago. Daniel Auster, 20, was expected to get 5 years probation when he is sentenced Jan. 30. Auster was in the apartment of Angel Melendez the night of March 10, 1996, when Michael Alig, a former party promoter for nightclub owner Peter Gatien, and his roommate Robert Riggs killed and dismembered Melendez. Riggs and Alig were first charged with murder but later pleaded guilty to manslaughter.

Both men were sentenced to 10 to 20 years in prison. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053992-2ae>

The U.S. Political Scene

*** Tax-writing House panel outlines social goals

The chairman of the House tax-writing committee outlined social policy goals Tuesday for 1998, including limiting lawyers fees under tobacco settlements and creating a Social Security reform commission.

Bill Archer, R-Texas, chairman of the House Ways and Means Committee, said Republicans remain committed to preventing Medicare bankruptcy

and giving patients greater choice. Archer said he would introduce legislation to set up a panel to "achieve the best possible bipartisan solution for restoring the solvency of the Social Security system." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7049452-c91>

*** Feinstein steps out of Calif. governor's race

Sen. Dianne Feinstein, considered the strongest Democrat to vie for the Calif. governorship, declared Tuesday she will not be a candidate. Not even President Clinton could persuade her to run. Feinstein's announcement ended weeks of speculation over her political future, and removed the Democratic front-runner from the governor's race in an election that could determine the party's fate in Calif. for years to come. The next governor will be presiding over a redrawing of state and federal election districts. She said one thing warning her off another try was the harsh nature of Calif. campaigns. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055181-bc1>

Calif. governor race has national implications, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055399-ed8>

*** Congress to open hearings on Babbitt's casino role

A House committee opens a new round of what promise to be politically rancorous hearings Wednesday on Interior Secretary Bruce Babbitt's role in the rejection of an application for an Indian casino in Wis.

The hearings, chaired by Ind. Republican Dan Burton, will take place as Attorney General Janet Reno decides whether to follow last week's recommendation by Justice Department prosecutors that she appoint an independent counsel. The department is examining Republican claims Babbitt's decision to reject the casino license may have been improperly influenced by Democratic campaign contributions. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7052763-34b>

*** Satcher faces new opposition for surgeon general

As Congress prepares to return to work next week, Republican Sen. John Ashcroft of Mo. stepped up his opposition Tuesday to confirming Dr. David Satcher as surgeon general. President Clinton nominated Satcher last year to fill a post that has been vacant since Joycelyn Elders had to step down 3 years ago. Ashcroft objected to his appointment because of abortion, his backing of needle exchange programs to fight AIDS and some controversial AIDS research in poor countries that was backed by the CDC. A Senate panel recommended Satcher be confirmed, but the nomination did not come before the full Senate last fall. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7053296-47e>

*** House Democratic leader issues tax reform plan

Democrats should not disparage public anger over taxes, but instead must fully enter the debate with an alternative to Republican proposals, House Democratic Leader Richard Gephardt said Tuesday.

"Just because Republicans have been more skillful in turning the anger about taxes into political gain, Democrats should not devalue that anger as selfish or unworthy of respect," Gephardt said.

Gephardt is considered a potential rival to Vice President Al Gore for the Democratic presidential nomination in 2000. He unveiled a revised version of his proposal for a 10% income tax for most Americans. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7051630-1ff>

*** Ban genetic discrimination, Gore urges Congress

Vice President Al Gore urged Congress Tuesday to pass laws banning discrimination against people on the basis of their genes, which a new study said is already occurring in hiring and insurance. Gore said he and President Clinton would support a joint bill introduced by S.D. Sen. Tom Daschle and N.Y. Rep. Nita Lowey, both Democrats, that would stop employers from misusing genetic information. Progress should not give society more weapons to use against weaker members, said Gore. "In the whirlwind of the biotechnology revolution, we must hold tight to our deepest values." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7052064-c0a>

The Courts

*** Kaczynski competent; decision Thursday on counsel

With Unabomber suspect Theodore Kaczynski found competent, Judge Garland Burrell delayed deciding Tuesday if he can represent himself until moments before his trial resumes. Burrell said the question of counsel would be decided in court between 8 and 10 a.m. PST Thursday.

He has told jurors, who have not yet been sworn in, to be ready for possible opening statements at 10 a.m. PST Thursday. Burrell said Tuesday, "Currently I'm not inclined to bring in new lawyers" and "the question centers on self-representation." Kaczynski is charged with a 17-year bombing campaign that killed 3 and injured 29. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055070-4e0>

Kaczynski case lawyers clash over 'secret shacks,' See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7056185-f63>

*** Justice says Microsoft interferes with case

The Justice Department said Tuesday Microsoft Corp.'s continued court filings are interfering with attempts to resolve issues in the government's case against the company. Microsoft has argued it was unable to understand a court order requiring it to sell its Windows 95 operating system without tying it to its Internet Explorer Web browser. Microsoft argued earlier this month the government has failed to define how Windows 95 and Internet Explorer, which Microsoft says are fully integrated, can be separated and said the government must more clearly define Internet Explorer. The government said Microsoft should step aside and let a special adviser resolve the issues. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055925-4c0>

*** U.S. judge issues split decision on Bible class

A U.S. judge issued a split ruling Tuesday in a case involving a controversial Bible class, allowing a Fla. school district to teach a course based on the Old Testament but barring it from teaching one based on the New Testament. The ruling came in a lawsuit brought by the American Civil Liberties Union and People for the American Way against the Lee County School Board, which voted last year to teach a 2-semester Bible history class supported by the Christian Coalition.

The ACLU suit, on behalf of parents and other residents, alleged that the course unconstitutionally used the Bible as a history book. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055044-c57>

*** Ex-POW sentenced for killing son-in-law

A World War II veteran convicted of murdering his son-in-law was sentenced to 35 years to life in prison Tuesday despite his claim he was having flashbacks to a Japanese prison camp when he opened fire.

Richard Keech, 78, was convicted last Nov. of first degree murder after jurors rejected his contention that during the shooting he was suffering from Post Traumatic Stress Disorder and thought the victim was a Japanese prison guard. Keech described the victim, British immigrant Nicholas Candy, as a volatile, dangerous man of imposing size who mounted a "campaign of terror" against the Keech family. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055790-a1d>

*** Jury selection begins in Texas cadet murder case

Jury selection began Tuesday in the trial of an ex-Naval cadet accused of murdering a teen-age girl in a love pact with her boyfriend. Diane Zamora, 19, faces life in prison if convicted on charges she and high school sweetheart David Graham killed 16-year-old Adrienne Jones in Dec. 1995. Jury selection was expected to last through next week with opening arguments to begin Feb. 2. State District Judge Joe Drago questioned each member of the jury pool individually because the case has received extensive publicity. He has said if he cannot find 12 impartial jurors, the trial will be moved out of Fort Worth. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053619-d1d>

*** TV's Winfrey cheerful as Texas beef jury is chosen

Talk show hostess Oprah Winfrey clowned and smiled for fans Tuesday as a jury was selected in her showdown with Texas cattlemen who say a program of hers on mad cow disease cost them \$12 million. Opening arguments in their lawsuit were to begin Wednesday after 4 men and 8 women were chosen as jurors. The cattlemen, led by feedlot owner Paul Engler, charge Winfrey drove down prices when she swore off hamburgers in her April 15, 1996, show. A smiling Winfrey waved at cheering fans every time she walked in and out of the federal courthouse. Among spectators were animal rights activists dressed in cow suits. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053347-9c6>

World Front Page Stories

*** U.S. wants diplomatic end to Iraq crisis-Cohen

Defense Secretary William Cohen said Wednesday the U.S. wants a diplomatic solution to the Iraqi crisis but was determined not to allow Baghdad to threaten its neighbors with biological, chemical and nuclear weapons. In a speech to American forces on an aircraft carrier as she prepared to head for the Gulf, Cohen said they were to become part of a major American force in the Gulf that would pressure Iraqi leader Saddam Hussein into complying with UN sanctions and weapons inspections. Surrounded on the flight deck of the Independence by planes, Cohen called the ship's crew the "steel and sword of freedom." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055417-290>

U.S. Catholic bishops want end to Iraq sanctions, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7053172-3eb>

U.S. sure allies would back action against Iraq, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7052881-d0e>

UN arms chief heads home after hard talks, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7052703-0f0>

*** Northern Irish plead for end to guerrilla killings

Britain vowed Tuesday to stand firm against a wave of sectarian killings in Northern Ireland as anxious political leaders and relatives of the latest victim pleaded for peace. Mo Mowlam, Britain's Northern Ireland Secretary, said pro-British and pro-Irish factions behind the killings were trying to derail multiparty negotiations that have been built on recent truces by the main guerrilla forces. "I am determined not to let our will be broken by these splinter-groups ... who are not interested in cease-fires, they are just interested in breaking the peace talks," she told BBC radio. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7049982-89d>
IRA mortar attack suspect goes on trial in London, See <http://www.infobeat.com/stories/cgi/story.cgi?id=7048289-c06>

*** UN 'fire brigade' idea splits experts

When the next round of ethnic bloodletting looms in Africa or the Balkans, a UN "fire brigade" should be ready to step in and prevent war. That is the vision of a panel of elder statesmen led by former U.S. Secretary of State Cyrus Vance who have spent 3 years studying how to prevent deadly conflicts. A key recommendation, presented to the Clinton administration and to Britain as president of the European Union, is that the UN Security Council create a rapid reaction force of 5,000 to 10,000 troops for emergency deployment in crisis spots. But not all experts share their faith. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7047622-3ca>

***** El Nino made 1997 record hot year - UN weather body**

The United Nations weather agency said Tuesday 1997 was on average the world's hottest year on record - largely because of the El Nino phenomenon which also caused major disasters around the globe. But a spokeswoman for the body, the World Meteorological Organization, said El Nino, a mysterious warming Pacific Ocean current which disrupts climate patterns, was not the cause of every extreme in the weather.

In an annual survey, the WMO said reports from its worldwide network showed the average temperature last year was 0.44 degrees Centigrade above the average for the 1961-90 base period. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048608-ec4>

***** Yugo court dismisses Blaskic death threat report**

The Yugoslav war crimes tribunal dismissed a report Tuesday that Bosnian Croat General Tihomor Blaskic has faced death threats since his surrender to the UN court in 1996. Dutch state radio said Blaskic, on trial in The Hague for alleged crimes against humanity, was transferred from house arrest to Scheveningen jail for his own safety last year. The radio said authorities were unable to guarantee Blaskic's safety while he was under house arrest at a secret location in the Netherlands. The report did not specify who was behind the threats or what form they had taken. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7042830-ab6>

***** UN Population Fund launches new worldwide campaign**

With Western nations slacking off in contributions for family planning, the UN Population Fund Tuesday recruited actress Linda Gray for a "Face to Face" campaign to spread its message. Gray recently traveled for UNFPA to Guatemala where the teen-age pregnancy rate is the highest in the world and where family planning programs are at their infancy. Many 12- and 13-year-old girls become pregnant, some then forced into prostitution, she said. UNFPA officials said developing nations have raised money for family planning but Western nations were not coming through with expected contributions. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7054299-fb0>

The World Political Scene

*** 2 bombs hit Algiers as EU mission ends

2 bombs exploded in Algeria Tuesday, killing 6 people and wounding 50 as European envoys concluded a mission to Algeria with no concession from the government to requests for an independent inquiry into the bloodshed. At least 3 people were killed and 20 wounded in the blast in Ben Aknoun District, including 3 in serious condition. 2 of the wounded died later Tuesday. Another bomb exploded in a market in the village of Ziralda, killing 3 and wounding 30. The EU mission's leader, British Foreign Office Secretary of State Derek Fatchett, said the EU regretted Algeria had again rejected a UN human rights

probe but was pleased Attaf had agreed to visit London to continue discussing the Algerian conflict. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7050112-a94>

*** West frets over countdown to crisis in Cyprus

The countdown to crisis - some experts believe even to war - has begun in Cyprus, prompting anxious Western governments to gear up mediation efforts. "I think ... we can't give up here," Secretary of State Madeleine Albright said Monday. Unless a diplomatic solution is found to stop the Greek Cypriot government taking delivery of Russian-made missiles later this year, diplomats believe Turkey will take military action to destroy them. That could trigger a wider confrontation between feuding NATO allies Turkey and Greece, they say. International mediation efforts are on hold until after the (Greek) Cypriot presidential election Feb. 8. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7043503-142>

*** UN arms talks open with Clinton plea on landmines

U.S. President Bill Clinton urged the Conference on Disarmament in Geneva Tuesday to negotiate a worldwide ban on the export of landmines. In a speech read by U.S. representative Robert Grey, Clinton also proposed launching negotiations to halt production of fissile material - plutonium and highly-enriched uranium - used in making nuclear bombs. The U.S., China and Russia have been under fire from members of the international community for declining to join the

121 states which signed the Ottawa Treaty banning anti-personnel landmines. The weapons are blamed for killing 25,000 people a year. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7043015-58f>

*** Indonesia keeps Taiwan premier visit under wraps

Taiwan's Premier Vincent Siew, on a visit to Jakarta the Indonesian government has kept under tight wraps, was due to see Science and Technology Minister Jusuf Habibie Wednesday before leaving for home, diplomatic sources said. The authorities whisked Siew away from the airport, dodging waiting journalists on his arrival Monday, and officials have refused to acknowledge his presence in Jakarta. The visit was expected to spark protests from communist China. Diplomatic sources said he was briefed by the Taiwan economic mission, which serves as Taipei's de facto embassy in Jakarta. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7056966-f92>

The Americas

*** Tears, joy, prayer in Havana before pope's arrival

Tears of joy, prayers and calls for reconciliation echoed in Havana churches and at the city's airport Tuesday as pilgrims and Cuban exiles arrived for a historic 5-day visit by Pope John Paul II. As workers hung yellow and white Vatican flags alongside the red, white

and blue Cuban colors on the route the pontiff will follow into Havana Wednesday, charter planes flew in from the U.S. to reunite families separated for decades by ideology. "Thanks to the pope I could come back," said Alba Fernandez as she hugged her father, who she had not seen for 18 years, after arriving on a charter flight from Fla. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055481-5cc>

Pilgrims overload Havana hotels for pope visit, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7055693-088>

U.S. congressman says Pope trip will change Cuba, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7054948-970>

*** Menem hopes Canada joins Mercosur in 6 months

Argentine President Carlos Menem told Canadian Prime Minister Jean Chretien Tuesday he hoped to see Canada join South America's Mercosur trade grouping within 6 months despite a dispute with Brazil.

Chretien had hoped to sign a framework deal with Mercosur - a market of 240 million people grouping Brazil, Argentina, Paraguay and Uruguay with Chile and Bolivia as associate members - on his current Latin American tour. But a trade row which has seen Brazil and Canada swapping charges of unfair subsidies to aircraft manufacturers led

Brazil to call a halt to talks between Mercosur and Canada. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7050095-62d>

*** Guatemala gang rape suspect is jailed pending trial

A Guatemalan judge ordered 1 of 4 men arrested Tuesday in connection with the rape last week of 5 U.S. college students to be held in jail pending trial. Judge Salvador Molina said the suspect, Cosbi Urias, refused to enter a plea and cannot be formally charged until he does. 3 other suspects in custody have yet to be transferred to Molina's court. Guatemalan authorities are under intense pressure to produce results in the investigation of last Friday's rape of 5 women, aged 18 to 20, from St. Mary's College of Md. An armed gang of 7 men hijacked a rented bus carrying 13 students and 3 faculty members, robbing them and raping 5 women, on a highway in broad daylight. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7053403-305>

*** Update: Chilean court to probe Pinochet for genocide

A Chilean judge said Tuesday he would launch a formal probe into whether former military ruler Gen. Augusto Pinochet was responsible for mass killings during his 17 years in power. Judge Juan Guzman said he had accepted a criminal complaint of genocide against Pinochet, 82, who is still army commander-in-chief, presented by the Communist Party. "Our business now is to verify if these things happened, and decide who might be responsible for them," Guzman said. Pinochet, who declared himself president after the army seized power in a bloody 1973 coup, has never had to appear in court for killings committed during his rule. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7051679-18a>

*** Mexico Indians reject out-of-date aid in Chiapas

Indian refugees in Mexico's troubled southern state of Chiapas Tuesday rejected Red Cross donations of medicine after finding out that much of it had gone past its "sell by" date. The refusal by Chenalho to accept outside aid for refugees reflected deep mistrust of federal authorities in pro-rebel communities. Thousands of Indians have been sent fleeing around Chiapas since paramilitaries massacred 45 Indians, mostly women and children, Dec. 22. The killers of the Indians in the village of Acteal have been linked to the ruling Institutional Revolutionary Party and ex-Chiapas governor Julio Cesar Ruiz Ferro and then-interior minister Emilio Chuayffet have both resigned. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7056898-03d>

*** Colombian drug lord said to admit U.S. shipments

A former top lieutenant of Colombia's Cali drug cartel has admitted to smuggling more than 3.3 tons of cocaine into the U.S. and laundering more than \$125 million over 10 years, authorities said Tuesday. Helmer "Pacho" Herrera, former number 3 in the Cali cartel who surrendered to Colombian authorities in Sept. 1996, confessed to the latest charges of drug trafficking and money laundering as part of a wider plea bargaining deal. The drug shipments totaling 3.37 tons were sent to the U.S. between 1983 and 1993. Last month Herrera owned up to shipping another cargo of more than 3 tons of drugs to the U.S. which were later confiscated in Fla. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7052978-0bb>

Europe and Russia

*** Carlos says 'in Libya' at time of French bombings

Jailed urban guerrilla "Carlos the Jackal" told a judge investigating his role in two 1983 bomb attacks in France that he was in Libya at the time, his lawyer said Tuesday. Counsel Isabelle Coutant-Peyre said Carlos told the judge in the 2nd Paris trial at which the guerrilla has been present that Libyan leaders would be able to confirm he was there. Anti-terrorist investigating judge Jean-Louis Brugiere is probing if Carlos should be brought to trial over the 1983 New Year's eve bombing of a high-speed train in France and of Marseille's main train station, in which 5 people died and dozens more were wounded. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7047544-3b2>

*** Yeltsin fears some CIS members want to quit

Russian President Boris Yeltsin expressed concern Tuesday that some former Soviet republics wanted to quit the Commonwealth of Independent States. Defending his work with the loose grouping set up after the Soviet Union collapsed in 1991, said Valery Serov, a deputy prime minister in charge of CIS affairs. Yeltsin, who returned to work Monday after a 2-week vacation, called for more active

development of ties within the CIS, which includes all 15 former Soviet republics except Latvia, Lithuania and Estonia. Serov said all of the leaders of CIS countries backed Yeltsin's efforts and dismissed the suggestion any wanted to leave. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7041973-202>

*** IRA martyr's sister launches hardline Irish group

For Irish unity, IRA prisoner Bobby Sands smeared his prison cell with excrement and starved himself to death. Now his sister is spearheading a hardline nationalist group which says peace talks with Northern Ireland's British rulers are fundamentally flawed.

Bernadette Sands, speaking at the first meeting of the 32 County Sovereignty Committee Tuesday, said the IRA's political wing Sinn Fein should pull out of talks if they cannot make all-Irish sovereignty their agenda. While Catholic nationalists dream of a united Ireland and the IRA has fought for it, pro-British Protestants and loyalist guerrillas abhor the idea. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7056715-c4f>

*** Jospin holds his ground on Europe, jobs

Embattled French Prime Minister Lionel Jospin vowed Tuesday there would be no U-turn in his Socialist-led government's policies on employment, Europe and public spending. Jospin, facing a determined protest by the unemployed which began five weeks ago, said the government would not raise taxes or inflate the budget deficit to

meet demands for an increase in minimum welfare benefits. Raising minimum benefits by \$244 per month as demanded would cost 70 billion francs (\$11.4 billion), Jospin said. The government was elected on a pledge to cut joblessness which is running at a near-record rate of 12.4%. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7049791-4dc>

*** Update: Havel re-elected Czech president

Czech President Vaclav Havel, leader of the 1989 democratic revolution which overthrew Communist rule, narrowly won re-election to a new five-year term Tuesday after two tense rounds of voting by parliament. Havel, a 61-year-old former dissident playwright, polled 99 lower house votes, a majority of one among the 197 deputies present, and 47 in the 81-member upper house as the only candidate in a second round. Havel, seeking re-election to his second and final term allowed by the constitution, remains highly popular and trusted by 70% of Czechs, but was seeking re-election at a turbulent time in Czech politics. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7051564-dc0>

Havel - reticent revolutionary, lifelong dissident, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=7050905-46b>

*** Yeltsin says military reform underway

Russian President Boris Yeltsin said Tuesday his large-scale military reform was marching on successfully, overcoming resistance from the

top brass and even the government's political opponents. "We managed to overcome resistance to military reform from the military themselves, from politicians and even the opposition ... Society understands that the future of Russia's armed forces depends on reform." Yeltsin said Russia had managed to cut its armed forces by 200,000 servicemen over the past year and had made an inventory of all military assets. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7051215-86b>

Yeltsin appoints new Russian air force chief, See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048746-b21>

Africa

*** Zimbabwe says deploying army to quell riots

The Zimbabwean government said Tuesday it was deploying troops to quell riots that have rocked Harare, the capital of the southern African country, for two days. Home Affairs Minister Dumiso Dabengwa said the government had also put the entire army - which numbers about 40,000 - on standby to deal with the riots. The army's task would be to prevent looters from reaching the city center which contains Harare's main business and industrial areas, Dabengwa said. He said no deaths were reported, but four policeman were seriously injured. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7045456-c06>

Zimbabwe troops move in to stop riots, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048934-4f1>

*** Burundi rebels vow to press on with war

Burundi's main Hutu rebel group vowed Tuesday to press on with its guerrilla war against military leader Maj. Pierre Buyoya and force a negotiated settlement to the country's long ethnic conflict. But the National Council for the Defense of Democracy denied at a Nairobi news conference that its armed wing, Forces for the Defense of Democracy, had targeted civilians. The denial followed almost daily reports from Burundi's Tutsi-led army of killings of civilians blamed on Hutu rebels. The army said 76 people died last week in four days of fighting just northeast of the capital, Bujumbura. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7046562-773>

*** Zambia court orders evidence released for Kaunda

Former Zambian President Kenneth Kaunda's lawyers said Tuesday a Lusaka court had ordered the state to release evidence needed to fight his detention for alleged involvement in a coup. Kaunda's lawyers believe the state is hiding crucial audio and video evidence and subpoenaed the state for their release. "The court ordered that the Zambia National Broadcasting Corp. and the police release the relevant tapes tomorrow," Kaunda's lawyer Mainza Chona said. Kaunda was arrested Christmas Day in connection with a failed coup against

President Frederick Chiluba's government last October. See
<http://www.infobeat.com/stories/cgi/story.cgi?id=7049983-80d>

*** Opposition politician arrested in Democratic Congo

Soldiers in the Democratic Congo capital Kinshasa arrested outspoken opposition leader Joseph Olengankoy Tuesday after breaking into his office, his party said. The arrest follows weekend comments by President Laurent Kabila who reaffirmed a ban on political activity in the former Zaire during a two-year transition which ends in 1999. Olengankoy is an ally of opposition leader, Etienne Tshisekedi, the leading opponent to dictator Mobutu Sese Seko. Mobutu was ousted by Kabila with Rwanda's help in May. Papers have reported Kabila sought to meet Olengankoy, who has accused him of setting up a dictatorship. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7048347-f50>

*** Libya said to regard air embargo as worst sanction

Libya is anxious for the easing of an air embargo that is part of UN sanctions imposed in connection with the 1988 bombing of a Pan Am airliner over Lockerbie, Scotland, a UN report said Tuesday. The report was drafted by a UN fact-finding mission that visited Libya last month to study the effects of the sanctions. "It was apparent to the mission that the Libyans consider the sanctions ... as 'illegal' and unjust and want them to be lifted immediately," the report said. The sanctions were first imposed in 1992 and later tightened because of Libya's failure to extradite 2 men wanted for trial in Britain or

the U.S. in connection with the bombing that killed 270 people. See
<http://www.infobeat.com/stories/cgi/story.cgi?id=7054050-0b0>

*** 3 killed, 12 wounded in Kenya tribal clash

3 people were killed and 12 wounded in western Kenya in clashes after a dispute between ethnic Luos and Kisiis over land and politics, police said Tuesday. 1 Luo was killed Tuesday and 2 Kisiis died overnight along the border of K'Odera Bara and Nyamayah villages as villagers clashed over a disputed piece of land. 8 houses were burned down and 6 schools were closed as a result of insecurity. Local Kisiis said they were attacked by Luos angered by their failure to vote for Luo leader and presidential candidate Raila Odinga in last month's elections. Odinga came 3rd to President Daniel arap Moi. See
<http://www.infobeat.com/stories/cgi/story.cgi?id=7048569-3cf>

India and the Middle East

*** Arafat 'keen' on Holocaust Museum visit

Palestinian leader Yasser Arafat said Tuesday he was anxious to visit the U.S. Holocaust Memorial Museum which offered him a special tour after earlier denying him an official welcome. Arafat canceled an earlier plan to visit the museum in memory of 6 million Jews killed

in the Nazi Holocaust after being denied an official welcome. He is to meet President Clinton in Washington Thursday as part of the latest U.S. effort to revive stalled Middle East peace talks. Miles Lerman, chairman of the Holocaust Memorial Council, was quoted as saying he had listened to bad advice in withdrawing an initial invitation. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048407-358>

*** Turkey holds over 200 Iraqi migrants

Turkish border guards have detained and then released scores of Iraqi immigrants who attempted to cross illegally into neighboring Greece, officials said Tuesday. A total of 129 Iraqis had been captured at three separate points trying to cross the Meric river which forms the border with Greece, the provincial governor's office in Edirne said. Domestic law states that officials must release any migrants who have valid passports and permission to be in Turkey. Turkey's long Mediterranean coastline and border with Greece make it an ideal springboard to Europe for immigrants from impoverished countries. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7045306-c02>

*** Arabs decry trial of Frenchman doubting holocaust

Arab intellectuals and human rights activists have launched a campaign in solidarity with French Muslim author Roger Garaudy, on trial in a Paris court for trivializing the Holocaust against Jews. They have set up funds to gather donations, issued statements and

formed a team of lawyers to defend Garaudy, a strong critic of Israel's Middle East policies. Garaudy, 84, who denies any wrongdoing, was brought to trial after several anti-racism groups accused him of denying crimes committed against humanity, itself a crime under French law, in his book "The Founding Myths of Israeli Politics." See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048106-30c>

*** PLO self-rule run as 'police state' - rights group

A leading Palestinian human rights group, accusing the Palestinian Authority of acting like a "police state," issued a scathing report Tuesday detailing widespread human rights abuses in Palestinian-ruled areas in 1997. The report said torture and extrajudicial killings in Palestinian Authority custody were the most severe human rights violations in self-ruled areas. It stressed, in Palestinian-controlled areas, "more and more Palestinians are engaged in the important work of arresting, torturing, and occasionally killing each other, much as they did during 1996 and 1995." The report said illegal arrests and arbitrary detentions were the norm rather than the exception. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048506-5f5>

Christians not persecuted in W. Bank - rights group, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=7046728-af5>

*** Saudis hit back over UK torture report

Saudi Arabia denounced as anti-Islamic Tuesday a British parliamentary report which accused the kingdom, a key trading partner, of widespread torture and human rights abuses. Ambassador to Britain Dr. Ghazi Alghosaibi described the report as "a rehash of old allegations with no proof or substantiation." He said his country would pay no heed to people who hated Islam and its laws, adding, "Pampering murderers, rapists, terrorists and drug smugglers is not part and parcel of the Islamic doctrine of human rights." See <http://www.infobeat.com/stories/cgi/story.cgi?id=7047111-759>

*** Jordanian Islamist leads prisoners home from Iraq

50 Jordanian convicts, freed by a general amnesty from Iraqi President Saddam Hussein, left Baghdad for Amman Wednesday in a convoy led by a prominent Jordanian opposition leader. The prisoners danced and sang, shouting slogans in support of Saddam and waving Iraqi flags, before setting out on the long overland journey home, shepherded by Jordanian Islamist dissident Leith Shubeilat. The release comes just days after Jordan's uneasy relations with neighboring Iraq were further rattled by the stabbing to death in Amman of a senior Iraqi diplomat and 7 other people, mostly Iraqis. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7058896-9c2>

The Far East

*** China invites U.N. rights visit

China Tuesday invited the United Nations' top human rights official to visit in a move Western countries hoped signaled a change in Beijing's attitude on what it has previously regarded as an internal matter. The invitation was issued to Mary Robinson, U.N. High Commissioner for Human Rights. There was speculation that China issued the invitation to deflect criticism of its rights record ahead of the start of the annual forum of the U.N. Commission on Human Rights. The invitation came two months after China released from prison its most famous dissident, Wei Jingsheng, on medical parole, sending him to exile. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7047783-475>

U.N. rights boss ready to start talks with China, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=7044768-7d1>

Britain's Cook presses China on human rights, see

<http://www.infobeat.com/stories/cgi/story.cgi?id=7045308-272>

*** Suharto seeks to stay president; rupiah falls

Indonesia's President Suharto agreed Tuesday to seek re-election in March as his country faced a renewed financial crisis, prompting fresh calls for him to step down. Ruling Golkar party chief and parliamentary speaker Harmoko told reporters after meeting Suharto that the president had agreed to accept a nomination for a seventh term to the office he has held since the mid-1960s. But the upsurge of financial turmoil, sparked by the rupiah's fall below 10,000 to

the dollar for the second time this month, could create unrest in the run up to the March presidential elections, analysts said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7043422-595>

*** China woos Taiwan, but Taipei cool

China offered political talks with arch-rival Taiwan Tuesday and said there were no preconditions, but a Taipei official scorned the invitation as old rhetoric. The major stumbling block to dialogue has been Beijing's insistence that talks proceed on the basis of "one-China" - the principle that Taiwan is an integral part of a Communist-ruled state. Taipei maintains that China is split, with the Nationalist government holding sway on Taiwan. At issue is whether the remarks represent any softening by Beijing on a crucial point of national doctrine, or simply a twist on the bitter polemical argument. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7043619-02e>

*** UN special envoy arrives in Myanmar for talks

A United Nations special envoy arrived in Yangon Tuesday for a three-day visit aimed at prodding Myanmar's (Burma's) ruling junta towards democracy and encouraging dialogue with opposition leader Aung San Suu Kyi. Alvaro De Soto, who arrived from Singapore, was likely to urge the ruling State Peace and Development Council to speed up the drafting of a new constitution and to hold elections as soon as possible, analysts said. The SPDC has repeatedly refused to

hold direct talks with Suu Kyi since she was released from six years of house arrest in July 1995. It has also limited her politically.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=7040902-f49>

*** U.S. defence secretary meets Japanese prime minister

U.S. Defence Secretary William Cohen discussed Asia-Pacific security and bilateral defence planning with Japanese leaders on Tuesday as he neared the end of a whirlwind seven-nation East Asia trip. Cohen arrived in Japan's capital from Beijing, and will hold a series of meetings with Prime Minister Ryutaro Hashimoto, before going to South Korea Wednesday. Cohen discussed with Hashimoto his three-day visit to Beijing and talks there with President Jiang Zemin Tuesday, during which he assured Jiang that the close bilateral relationship between Washington and Tokyo was not intended to threaten or isolate China.

See <http://www.infobeat.com/stories/cgi/story.cgi?id=7044988-341>

*** Cambodian king declines to meet U.S. official

Cambodian King Norodom Sihanouk has declined to meet a top U.S. foreign policy official, saying he can not play any political role after being nastily attacked by some media in his homeland. In a letter to U.S. officials released in Phnom Penh on Tuesday, Sihanouk broke two weeks of silence on why he abruptly left Cambodia early this month and apologized for turning down a request to meet U.S. Assistant Secretary of State Stanley Roth. The letter was addressed to senior U.S. officials Strobe Talbott and James Sasser. It was

dated Jan. 16, one day before Roth was due for a three-day visit in Beijing, where the king is receiving medical treatment. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7043282-9a1>

Science and Medicine

*** Cows eggs used to clone other mammals

While other cloning scientists dispute the ethics and possibilities of human cloning, a team of scientists from the University of Wisconsin-Madison has taken a giant leap forward in the cloning of other mammals. Using the unfertilized eggs of cows, the scientists have shown that the eggs have the ability to incorporate and, seemingly, reprogram at least some of the genes from adult cells from an array of different animal species, including sheep, pigs, rats, cattle and primates. The technique illustrates the possibility of using the eggs of one species as a "universal recipient." (EnviroLink Network) Cow egg cloning technique said to need more study, see <http://www.infobeat.com/stories/cgi/story.cgi?id=7049106-deb>
Cloned calves roaming Texas range for research, see <http://www.infobeat.com/stories/cgi/story.cgi?id=7049620-fed>

*** Don't pass bad cloning law, U.S. doctors urge

Fertility doctors worried about bad laws that would limit research suggested their own law for banning human cloning Tuesday. The

American Society for Reproductive Medicine said its carefully worded legislation would ban the cloning of humans without without restricting research that could help infertile couples and advance other areas of medicine. The trouble with any law banning "cloning" is that the term is widely used to mean many different procedures. The ASRM proposal also seeks to preempt any state law banning cloning. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7048918-14e>

*** Technology transforms abortion, 25 years after Roe

25 years ago, abortion in America generally meant an agonizing wait, a search for a doctor and an illegal, painful and dangerous operation. Now, home pregnancy tests have eliminated the long wait, abortion clinics have made the search for a doctor easier and new techniques have eased the pain and danger. Before the 1973 Supreme Court ruling that guaranteed a woman's right to choose abortion, a woman had a nail-biting wait until she missed a period. Dr. Jerry Edwards, a Planned Parenthood doctor in Houston, made headlines late last year with a new approach to abortion that can end a pregnancy less than 2 weeks after conception. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7046900-cde>

*** Md. study questions Lyme Disease treatment

Doctors in a Md. county where infected ticks are spreading Lyme disease were prematurely providing antibiotics to patients who

complained of tick bites, researchers said Tuesday. In a study of the medical records of 232 patients in a county on the Eastern Shore of Maryland where Lyme disease is a particular problem, researchers found that tick bites alone were sometimes treated with antibiotics before a diagnosis was made. Instead, physicians should monitor patients and take preventive measures when early signs of the disease appear and it can still be treated. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7050564-d5d>

*** U.S. study questions benefits of automated Pap test

A device that uses computer technology to analyze Pap smears is not much better than traditional test methods but costs much more, said a U.S. study published Tuesday. The finding came from the Armed Forces Institute of Pathology which said it used the device, called PAPNET, to re-screen 5,478 Pap smears from female members of the armed forces that had been previously identified as normal. The manufacturer of the device disputed the study, saying other tests had come to different conclusions. The researchers said they uncovered only 1 additional abnormal Pap smear for every 913 cases screened. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7051810-941>

*** U.S. opposes more assessment in EU beef hormone case

The Clinton administration disputed a claim Tuesday by the European Union that it has the right to do further assessments before allowing imports of U.S. beef produced with artificial growth hormones. A

recent decision by an appellate body of the World Trade Organization "makes it quite clear the EU must come into compliance" with international food safety standards in the beef hormone case, an official said. Last week the WTO appellate body ruled the EU's 9-year ban on imports of hormone-treated beef violated global trading rules. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7052935-919>

Technology

*** Compaq, Intel, Microsoft in Internet alliance

Compaq Computer Corp., Intel Corp. and Microsoft Corp. have joined with most of the nation's largest local telephone companies to provide higher speed Internet access using regular telephone lines, the New York Times reported Tuesday. Citing executives involved in the alliance, the newspaper reported the 3 companies plan to unveil the venture next week at a communications conference in Washington. The executives said the 3 companies, which set much of the agenda in the computer industry, have teamed up with GTE Corp. and 4 of the 5 baby bell companies to set standards for the next generation of access to cyberspace, the newspaper said. The group wants to have modems and software based on the new standards on store shelves by Christmas, the newspaper reported.

*** AT&T, NCR in 3-yr wireless deal

AT&T Wireless Services said it has agreed with NCR Corp. to become NCR's national provider of wireless communications and to provide an enhanced level of communications-related management services. The 3-year, multi-million dollar contract will provide wireless service to several thousand NCR employee subscribers based in the U.S., the AT&T Corp. unit said. In addition, AT&T Wireless will provide consolidated billing for all business users. This information will allow NCR to benchmark its costs with those of similar companies. A key element of the agreement is the program management service to be provided by AT&T Wireless Services, it said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7047911-37a>

*** Intel to unveil networking products

Intel Corp. said it will unveil Tuesday a new line of networking products targeted to small businesses that are affordable and easy to install. Intel said it is introducing both hardware and software with intelligence built in so that a company does not necessarily need a systems manager to install the products. "The key challenge is to make this thing (a computer network) light up without becoming an IT (information technology) manager at a price that is affordable," said a spokesman for the Santa Clara, Calif.-based chip giant.

*** IDT offers \$0.05/minute Web phone calls

IDT Corp. said consumer and small business callers in New York City

and Chicago using its phone-to-phone Internet phone service will pay a reduced rate of \$0.05 per minute to call any phone in the U.S. The service, known as Net2Phone Direct, is now available to consumers and small businesses for telephone calling at a domestic rate of \$0.08 per minute from local numbers in more than 50 U.S. cities. It said the reduced rate from New York and Chicago will be available, in a controlled introduction, at \$0.05 per minute. The rate will apply 24 hours per day, 7 days per week, with no restrictions. The new rates take effect Feb. 2.

*** Microsoft to ship NT 5.0 trial midyear

Microsoft Corp. chairman Bill Gates said he expected the Beta 2 trial version of the company's Windows NT 5.0 operating system to be shipped in the middle of the year, followed by the final version within 6 to 9 months afterwards. Gates, speaking via satellite link-up to a financial markets conference in London, did not give a final launch date for Microsoft's long-awaited Windows NT 5.0 upgrade.

The Environment

*** Urgent work needed on Russian nuclear waste - BEAC

There is an urgent need to intensify international efforts to clear

up nuclear waste in northwest Russia and improve safety at its nuclear power reactors, the Barents Euro-Arctic Council said Tuesday.

At the end of the BEAC's fifth ministers' meeting in Lulea, northern Sweden, the Council said despite some positive developments, there was not enough being done in this critical area. Nuclear safety and pollution is a key focus of the BEAC, which was set up in 1993 to boost cooperation in the Barents Sea region between the five Nordic countries - Sweden, Norway, Denmark, Finland and Iceland - and Russia. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7044308-295>

*** Rome's eco-mafia moving north

Illegal dumping of toxic waste and constant infringement of waste laws in the region of Lazio around Italy's capital city are damaging the environment, endangering public health and raising remediation costs, the environmental group Legambiente alleged last week in Rome. Illegal practices in waste management are spreading from the south to the center of Italy, Legambiente said in a report. The group claims that waste management in Lazio is now characterised by "serious and generalized environmental illegality," and other environmental laws are also flouted. According to Legambiente's report there were 7,000 recorded infringements over the past three years. (EnviroLink Network)

*** Bored with bungee jumping? Try swimming with a shark

There is no end of dangerous sports to try in southern Africa - bungee jumping, skydiving, white water rafting. But, for a new adrenalin rush, how about swimming face-to-face with a killer shark? The public seems eager to confront its fears of the monster of the deep and South Africa's Cape Town's aquarium has been swamped with divers who want to swim with the ragged-toothed shark since it opened its tanks to paying visitors last month. Conservationists say the project should help reverse the damage done to the shark's image by the movie "Jaws." See <http://www.infobeat.com/stories/cgi/story.cgi?id=7047283-01e>

*** Protest as Japan-bound N-ship docks in France

Activists recalled the sinking of the Titanic Tuesday to warn about the dangers of shipping nuclear material as a freighter docked in the French port of Cherbourg to load reprocessed nuclear waste bound for Japan. Some 20 Greenpeace activists displayed outside the port terminal cut-outs of seven ships which sank with severe loss of life or environmental damage, with the slogan: "Those shipments too were safe." The environmental group was protesting against the voyage of the British-registered Pacific Swan which is due to sail for Japan Wednesday with some 30 metric tons of reprocessed nuclear waste. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7051086-933>

*** Bardot again fined for inciting racial hatred

A Paris court fined former actress now animal rights campaigner

Brigitte Bardot Tuesday for inciting racial hatred in published comments on massacres of civilians in Algeria. The court said the former sex symbol, in criticizing the ritual slaughter of sheep for the Aid-al-Kebir Muslim festival, had incited racial hatred by blaming the whole Muslim community for Algeria's massacres and saying that such mass killings would soon spread to France. Bardot, 63, was fined \$3,250. Bardot was fined \$1,625 4 months ago for saying France was being overrun by sheep-slaughtering Muslims. The court said her condemnation of the Muslim ritual exceeded any concern for animal welfare. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7047825-5d7>

*** Warm El Nino waters bleaching Galapagos corals

Extremely warm waters in the Pacific Ocean caused by the El Nino weather phenomenon are bleaching coral reefs in the Galapagos Islands, the National Oceanic and Atmospheric Administration said Tuesday. The agency said it used satellite data to identify Galapagos "hot spots:" places where water temperatures were 3 to 5 degrees Fahrenheit higher than the maximum temperatures normally expected. Corals thrive as long as temperatures remain at or below 81 F -- the normal maximum sea surface temperature there -- but a small increase in temperatures can be deadly to these animals, oceanographers said. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7057096-121>

*** McDonald's Israel adopts Burger King-like cooking

Call it a Whopper of a move for McDonald's Corp. and its Big Mac. In an apparent bow to public tastes and the cooking method long used by arch-rival Burger King, McDonald's in Israel is junking its flat griddles and starting to broil its hamburgers over a flame. "We're moving to charcoal broiling. It's a world first," Omri Padan, managing director of McDonald's Israel, said Tuesday. All the meat used by McDonald's and Burger King in Israel is kosher but not all of the restaurants adhere to Jewish dietary law because they mix dairy products with meat by serving cheeseburgers. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7041290-b38>

*** 4 Americans jailed in Sweden for Nazi salutes

A Swedish court has sentenced 4 Americans to 1 month in jail for making Nazi salutes during a rock concert near Stockholm earlier this month, a court official said Tuesday. He said U.S. citizens Eric Dobbs, Andrew Miokovic, Danielle Reda and Lee Sugg were among a group of 20 foreigners and almost 300 Swedes who were detained by police for shouting racist and neo-Nazi slogans during the concert Jan. 4. The official said one of the Americans raised his arm in the Nazi salute while on stage. The other salutes were made in separate incidents. See

<http://www.infobeat.com/stories/cgi/story.cgi?id=7043620-cfd>

*** Americans lead world in eating ice cream

Americans are the world's greatest consumers of ice cream, eating an average of 20 liters each per year, but the greatest growth market for ice cream is Asia. Market research group Euromonitor said global consumption of ice cream rose 17% from 1993 to 1997, reaching about 13 billion liters in 1997. North America accounted for 44% of all the ice cream consumed, or 5.7 billion liters, reflecting the region's high disposable incomes, widespread ownership of stand-alone freezers, a well-developed retail market, and frequent eating in fast-food outlets. Sales of ice cream in Asia, however, doubled from 1993 to 1997 to reach 1.8 billion liters.

*** Canadians make legal buck out of marijuana

Marijuana cultivation is turning a legal profit for two Canadian developers of a board game about the illegal practice. The pair from Victoria, British Columbia, have created "The Cultivation Game," which pokes fun at the multimillion-dollar marijuana industry in the west coast Canadian province. "It represents a large part of the British Columbia economy," said Harreson Waymen, 45, a health care worker who designed the game. Wayman's partner, John Taylor, a retired carpenter, devised the idea after hearing about numerous problems with cultivating of the crop. It took the pair a year and about C\$50,000 (\$35,000) to get the product to market.

*** UK bad boy Marco keeps 3-star Michelin tag

Marco Pierre White, the enfant terrible of British cooking, has retained his coveted three stars in the latest edition of the Michelin Guide, the food lover's bible, published Wednesday. Gourmets had been guessing whether White, notorious for berating staff and customers alike who displease him, would retain the top ranking after switching from London's Hyde Park Hotel to the Meridien Hotel's Oak Room Restaurant. White's is one of four British restaurants that win Michelin's ultimate accolade in the 1998 guide of three stars denoting exceptional cuisine worth a special journey. See <http://www.infobeat.com/stories/cgi/story.cgi?id=7051297-64c>

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CREATOR: economist-politics-return (economist-politics-return@postbox.co.uk@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:29-JAN-1998 15:36:00.00

SUBJECT: Politics This Week (January 23rd - January 29th 1998)

TO: Michael W. Williams (Michael W. Williams@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

Welcome to Politics This Week

A summary of the world's main events from The Economist

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IN THE ECONOMIST THIS WEEK

If Bill Clinton is shown to have lied about his relationship with Monica

Lewinsky, he should go * Is Microsoft driven by strategy or by nature? *

Iraqis and their leader are rediscovering Islam * Downing Street has

interns

too * Its pending merger with UBS may bring Swiss Bank some unexpected

problems * The Disneyfication of US winter sports looks unstoppable * The

days of the hearing aid may be numbered *

You can read these articles, and many more, in the free area of The

Economist Web Edition, at <http://www.economist.com>. The free selection is

changed every Friday, Monday and Wednesday.

SELF-DENIAL

- + The United States was consumed with the allegation that PRESIDENT CLINTON had had a sexual relationship with a White House intern, Monica Lewinsky, and had persuaded her to lie about it on oath. The president strongly denied it, and his wife defended his good name on the morning television talk-shows, saying that her husband was the victim of "a vast right-wing conspiracy". Miss Lewinsky bargained for immunity from prosecution with Kenneth Starr, the independent counsel investigating the Whitewater affair.

- + Without mentioning the scandal, Mr Clinton delivered his STATE-OF-THE-UNION message to Congress. He promised that expected budget surpluses would be used first to shore up the rickety Social Security (pensions) system.

- + Theodore Kaczynski, the so-called UNABOMBER, agreed to plead guilty in exchange for a life sentence rather than execution.

- + Canadians and Americans tried to cool their west-coast SALMON WAR.

+ Researchers using the Hubble space telescope reported that Proxima Centauri, the star nearest to earth (bar the sun), has something orbiting it -- not a planet, alas, but a BROWN DWARF, a failed star.

+ The pope concluded his visit to CUBA with a mass in Havana. He denounced the American embargo, but called for more freedom. Parts of the crowd burst into cries for libertad.

+ Rifts widened in ARGENTINA's ruling party, as friends of President Carlos Menem tried to open the legal possibility of a third term for him. His would-be successor, Eduardo Duhalde, said that would be a "judicial coup d'etat."

SACRIFICED

+ Japan's finance minister, Hiroshi Mitsuzuka, resigned, taking responsibility for the disgraced FINANCE MINISTRY, where two officials were accused of taking bribes.

+ China softened towards TAIWAN, calling for a renewal of talks on commercial links between the two countries that have been suspended since 1995. But Taiwan appeared to reject the approach, saying that

China, which regards the island as a rebel province, had to treat it as an equal.

+ In Madras 26 people were sentenced to death for taking part in the MURDER OF RAJIV GANDHI in 1991, when he was campaigning to be elected as India's prime minister again. They were said to be members of, or connected to, Sri Lanka's Tamil Tiger secessionist movement.

+ SONIA GANDHI, Rajiv's Italian-born widow, boosted the Congress party's chances in India's upcoming general election by promising to make 100 speeches. But she again declined to stand for parliament.

+ The TAMIL TIGERS bombed the Temple of the Tooth, Sri Lanka's holiest Buddhist shrine, killing 16 people.

PICK-ME-UP

+ Even as RUSSIA's stockmarket disintegrated, President Yeltsin announced a 12-point plan to revive the economy. It calls, among other things, for tax cuts and land reform.

- + Britain's prime minister, Tony Blair, announced a new inquiry into BLOODY SUNDAY -- the day in 1972 when the British army killed 14 demonstrators in Northern Ireland. It was hoped that the announcement would address nationalist grievances, and bolster the chances of securing a peace settlement.

- + The European Union is to give \$6.6m to a moderate new government of Bosnia's SERB REPUBLIC, from which it had previously withheld aid.

- + SWITZERLAND and the EU agreed on the cost of tolls to be levied on EU trucks passing through the Swiss Alps, thus making a long-sought trade deal more likely.

- + A TURKISH government report said that agents of the state were involved in drug-trafficking, killing Kurds, and extortion. The prime minister, Mesut Yilmaz, used the findings to attack Tansu Ciller, one of his predecessors.

- + The pope told GERMANY's Catholic church to stop issuing "counselling certificates", which women need before they can have an abortion.

- + The CZECH parliament gave a vote of confidence to a new government, led

by a non-party banker, which will rule until a general election, probably in June.

+ ROMANIA's Social Democrats walked out of the ruling centrist coalition, but said they will support the government if it proceeds with economic reforms.

+ SLOVAKIA's parliament seemed unlikely to elect a successor to President Michal Kovac, due to quit in March.

STILL MEDIATING

+ In a last-ditch bid at Iraqi-UN MEDIATION, Russia sent a mission to Baghdad. America, preparing for a military strike against Iraq, sent its secretary of state off to talk to the British, French and Russian foreign ministers. She will continue on to Kuwait, Bahrain, Saudi Arabia and Egypt.

+ Gro Harlem Brundtland, a former Norwegian prime minister, was nominated to be director-general of the WORLD HEALTH ORGANISATION. The Americans, and others, look to her to revive a UN agency, once great but now long demoralised.

+ BURUNDI's defence minister, Firmin Sinzoyiheba, was killed in a helicopter crash. A powerful figure in the current Tutsi-dominated regime, he had also served under the president who was deposed in a 1996 coup.

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CREATOR: USIA_Media_Reaction (USIA_Media_Reaction@notes1.usia.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:15-APR-1998 11:45:00.00

SUBJECT: Daily Digest 4/15: SUMMIT OF THE AMERICAS II

TO: Laura D. Schwartz (Laura D. Schwartz@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

As President Clinton prepares to travel tonight to Santiago to pay a state visit to Chilean President Eduardo Frei and then join heads of state from 33 other Western Hemisphere nations for the two-day Summit of the Americas in that city, observers in the region and elsewhere did not express much enthusiasm for this second gathering of hemispheric leaders. The "disillusionment" with the confab evidenced by a majority of commentators was explained most succinctly by Buenos Aires' business-oriented El Cronista: "The disappointment which...looms over politicians and diplomats of several countries is explained by Bill Clinton's misfortune: the failure of the U.S. president to obtain Congressional approval for fast track trade authority.... This has diminished the goal of kicking off FTAA [Free Trade Area of the Americas] negotiations...the key issue which had been set for this summit." A majority of commentators contended that with the U.S. president arriving "empty-handed" in Santiago, the viability of the entire summit has been "reduced," leading a few to suggest that perhaps it would have been better to postpone the meeting. Their glum view of the summit aside, a few analysts nevertheless insisted that Latin America remains committed to strengthening trade ties with the U.S. "The Santiago summit has lost its importance;" O Estado de Sao Paulo stressed, but the "trade and financial relationship with Washington has not." Other pundits--many hailing from host country Chile--were more positive in their

outlook on the summit, noting that other pressing regional issues besides trade, such as democracy, education, drug trafficking and Cuba, will now take center stage. Following are salient themes in the commentary:

BIGGEST DISAPPOINTMENT--LACK OF FAST TRACK: The dominant theme in pre-summit editorials was the president's lack of fast track authority.

Opinionmakers agreed with the judgment that the absence of the trade authority makes negotiation of a hemispheric trade treaty "impracticable."

Analysts expressed concern that the sentiment in the U.S. and Congress appears to be increasingly "protectionist and isolationist." Bridgetown's pro-government Nation lamented that a "sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the U.S. and their supporters on Capitol Hill." London's independent Financial Times issued a warning about what Congressional skittishness over free trade might be costing Washington. Canada, the daily noted, "has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America...in contrast to the U.S., which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton

'fast-track.'" A number of writers in Latin America and Europe suggested that the challenge for the U.S. government will be to maintain America's interest in the hemispheric process.

STATE VISIT TO CHILE: Stressing that the U.S. is Chile's "main trade partner," editorialists in Chile looked forward to President Clinton's visit. Papers outlined what would most likely be topics of discussion between the leaders, including the possible future Chilean purchase of U.S.

aircraft and "successive problems arising with national Chilean exports" to the U.S.

This survey is based on 27 reports from 8 countries, April 4-15.

EDITORS: Diana McCaffrey and Mildred Sola Neely

LATIN AMERICA AND THE CARIBBEAN

CHILE: "A Summit Of Historic Importance"

Government-owned, editorially independent La Nacion (4/14) carried this comment: "One of the great challenges in the meeting will be to move forward towards economic integration through the signing of an agreement for...the Free Trade Area of the Americas, FTAA.... The objective is to reach an agreement for a potential market of over 750 million people which will facilitate inter-regional contacts in areas such as transportation, telecommunications, energy cooperation and investments.... The summit will also deal with the strengthening of democracy and human rights. There is consensus among American nations that it is necessary to have efficient and impartial legal institutions to reach those goals.... The summit has historic importance. As Foreign Minister Jose Miguel Insulza said, what it is all about is to prepare ourselves collectively to face the challenges of the new century and of the new millennium."

"Clinton Visit"

Conservative, popular Las Ultimas Noticias (4/13) carried an op-ed piece by Senate president Andres Zaldivar: "U.S. President Bill Clinton's visit

should be noted in the framework of the summit.... His presence at the summit is logical, very positive and will contribute to his listening once more and reflecting on the needs, principles and social, economic and cultural ideas of the majority of the member countries of the Summit of the Americas. Another positive aspect is that Clinton is coming for an official visit to our country, which will have other objectives and purposes in benefit of both our countries, considering that the United States is our country's main trade partner."

"Second Summit Of The Americas"

Conservative, influential, newspaper-of-record El Mercurio (4/11) carried this op-ed by Foreign Minister Jose Miguel Insulza: "The gap which separated the North from the South of our hemisphere is dramatically smaller today. With all its limitations and inequities, Latin America is an economic and political reality of much larger proportions than it was fifty years ago.... Democratically elected leaders of the region will meet at the summit under these new circumstances.... Since the last summit, improvements have been enormous in South America, especially through Mercosur and the revitalization of the Andean Community.... The Miami proposal for...a Free Trade Area of the Americas...is still viable, but has changed in orientation. The lack of authorization by the U.S. Congress to allow the Executive Branch to negotiate an FTAA has moved the initiative to other countries.... The issue, then, is to pave the way for the new relationship established among Latin American countries based upon the solid principles that unite us. We do not believe that all our differences have disappeared as if through magic. But we do believe that the basis is beginning to be set for a new hemispheric multilateralism."

"The Purpose Of Summits"

Government-owned, editorially independent La Nacion (4/10) carried this op-ed piece by international news commentator Alberto Sepulveda: "One must remember that in the past Latin America lacked great importance in world affairs. U.S. hegemony was total, and that country applied the principle of dividing in order to reign. The U.S. State Department dealt with each country separately, thus stressing the inequity of power between a superpower and an underdeveloped nation. Summits have changed this and now...Latin American countries have considerably improved their ability to negotiate with the United States, the European Union and Japan.... Summits are part of a process through which Latin Americans start to build up international strategies of policies and development with a growing degree of autonomy. Each summit is a step forward in that direction and must be analyzed as a whole, not in an isolated form."

"Talking Things Over With U.S. President"

Influential, centrist La Epoca commented (4/9): "From a strictly bilateral viewpoint, there are several issues that President Eduardo Frei will have to talk over with U.S. President Bill Clinton as part of the state visit to be held before the summit. Although up to now authorities have not outlined the details of the reciprocal agenda, it is not difficult to suppose that points such as the future purchase of U.S. aircraft, the possibilities of Washington to obtain fast track authorization and successive problems arising with national (Chilean) exports to that country

will be issues to debate.... On a hemispheric level in the meantime, the idea of putting an end to unilateral certification on the part of the United States in the fight against drug trafficking has not only reinforced the Latin American consensus on the matter, but has obliged that power, the United States, to anticipate changes in its policy."

"Clinton's Significant State Visit"

Government-owned, editorially independent La Nacion observed in a special edition article (4/9): "President Clinton's visit is significant because the United States is the most important country on a global basis and also particularly because, during the present year, the United States continued to be the main investor in Chile.... The new condition in the relationship that Chile has with Mercosur is also important because the perception of U.S. authorities regarding Mercosur's potential as a market for its exports, as well as Mercosur's future relationship with the European Union, Canada and others, could mean competition for the United States in those areas. This will make Washington give greater relevance to the analysis of its relations with the region and with Chile in particular."

"Clinton Can Offer Planes, But Not Independence"

Conservative, mass-appeal Las Ultimas Noticias wondered (4/7), "What can Bill Clinton really offer during his stay in Chile for the Chilean Air Force to buy U.S. aircraft? In concrete terms, the U.S. president cannot provide our country with political certainty. Thus, an offer linked to the Chilean Air Force's interest in acquiring missiles of advanced technology is

forseen. Recent statements by Foreign Minister Jose Miguel Insulza, while recognizing a 'political factor' in an eventual purchase of planes from the United States, must be understood. For the first time the Foreign Relations Ministry publicly stated what has been an open secret during the Chilean Air Force's million-dollar negotiation to completely renew its fleet for the next century.

"Additionally, if a U.S. plane were to be chosen, the U.S. Congress would have to ratify the transaction, and it would not be strange for Chile to be exposed to a political judgment it does not desire. Thus, Insulza's words are a direct message to the White House noting that the government clearly knows that Bill Clinton cannot offer a determining factor such as political independence."

ARGENTINA: "Focus On Press Freedom"

Jorge Elias, Washington-based correspondent for daily-of-record La Nacion, said (4/15): "A few hours before leaving on Air Force One for Santiago, Chile, Bill Clinton's men keep on extolling the role of the press in strengthening regional democracy. And it will be the president of the United States, after his official, two-day visit to Chile starting tomorrow, who will speak about this subject over the weekend, in the second Summit of the Americas, according to what Clinton agreed on with other 33 presidents of the continent (all but Cuba) in the meetings held by his advisers since over one year ago...."

"As a prelude to the summit, the Interamerican Commission of Human Rights

of the Organization of American States (OAS) agreed to create the position of special reporter/relator, in order to analyze...journalists' role at the national and continental level.

"The project, promoted by independent institutions, is supported by the United States. The idea was in Clinton's mind since the end of his visit to Bariloche last October.... The White House talks about the advantage of an independent officer...but the OAS does not seem to agree with that. The doubt is caused by the attitude to be adopted by countries used to blaming journalists for everything."

"Summit With A Changed Agenda"

Jorge Sosa opined in business-oriented *El Cronista* (4/14): "Without the glamour many had expected on this occasion, 34 presidents--among them Carlos Menem--will meet Friday in Santiago, Chile, in the framework of what will be the second Summit of the Americas. The disappointment which, at this point, looms over politicians and diplomats of several countries is explained by Bill Clinton's misfortune: the failure of the U.S. president to obtain Congressional approval for fast track trade authority.... This has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit.

"The fact that Clinton lands in Chile empty-handed forced the subsequent change in topics. This is why the political--no less complicated--issues began to top the agendas. Even though, formally, 'education' was selected as the 'key issue' of the discussions which will take place at the

Sheraton Hotel, El Cronista found out that the changing relationship with Fidel Castro's regime, which could imply a greater openness towards the island, and the delicate political situation in Paraguay and Colombia, will at least be part of the informal conversations among heads of state. On the other hand, they will propose the creation of an alliance to fight drug-trafficking. As in the first Summit of the Americas in Miami, in 1994, Cuba will be the only country without any representation.... Will FTAA negotiations advance without any reference to the island? Will Washington propose a new focus, at least a minor one, regarding the political and commercial relationship with Castro's government? These are some of the questions which have been clouding the minds of the members of several delegations since last week."

BARBADOS: "Summit Will Lack Fire Because Clinton Lacks Fast Tack"

The pro-government Nation's North American editor commented (4/13) that, because Clinton lacks fast track authority, "the negotiating process wouldn't have the fire that's needed to pull it off. That's not to suggest that education isn't important. But what started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the United States and their supporters on Capitol Hill who fear a loss of more U.S. jobs to Latin America and Caribbean countries if a trade pact becomes a reality.

"The decision to highlight education at the summit would have been hailed

if the United States, for example, was going to put some new resources into the Caribbean and Latin America to help the countries expand their school systems to meet the needs of an increasingly technological world. With no additional funds, hemisphere nations will be hard pressed to implement many of the programs which the leaders plan to agree on. Small wonder that some of the leaders are saying privately that a postponement of the summit would have been a good idea."

BRAZIL: "An Empty Summit"

Center-right O Estado de Sao Paulo held (4/14): "The summit in Miami was held without any previously defined agenda. The FTAA idea surged as a last-minute resource to avoid the failure of the summit convoked by the U.S. president. Brazil and its partners in Mercosul will not support a new trade treaty...that gives obvious advantage to the United States in the trade relationship. The U.S. Congress denied President Clinton fast track authority, which makes negotiation of a trade treaty impracticable.

"Once again, the U.S. government is dealing with an agenda (this time) in Santiago, that does not justify the attendance of 34 heads of state. The main theme of education could be treated equally by the ministers. Last Friday, O Estado published an article by Secretary Madeleine Albright, which clearly shows that FTAA had its importance reduced among U.S. foreign policy priorities. However, it is necessary to make a distinction between the lowering of the FTAA as a priority and the importance that the hemisphere, especially Brazil, has for U.S. foreign trade. The FTAA lost its momentum because President Clinton was not able to convince the U.S.

Congress of the advantages of a new and ample commercial regional accord.

The U.S. Congress has revealed strong protectionist and isolationist tendencies, a situation that many countries in the hemisphere prefer not to face. But trade with the countries in the area continues to be of great importance to the United States...and it is more important than the formality of the FTAA's creation. The Santiago summit has lost its importance; the trade and financial relationship with Washington, has not."

"New Initiative To Combat Narcotrafficking Expected At Summit"

Liberal Folha de Sao Paulo observed (4/11): "The summit meeting in Chile is expected to launch a new initiative to combat narcotrafficking, which includes the creation of a center of studies in Panama City. But it will not be mere academic study: The American intelligence service will support the initiative, which is incidentally a U.S. proposal. The fight on narcotrafficking needs efforts that go beyond our borders. It is 'the number-one threat to the security of the Americas,' says Thomas McClarty, President Bill Clinton's representative to the Americas. The range of this initiative will depend on overcoming resistance of many Latin American governments present [to the issue]. They think it means interference in their domestic affairs. That's why the draft of the text ready to be signed in Chile by the 34 FTAA's chiefs of state is cautious."

"The Road To Santiago"

An editorial in liberal Folha de Sao Paulo stressed (4/8): "Despite teeth

grinding by protectionists and labor leaders, regional integration is unavoidable. Actually, it is one of the most important areas where the action of states continues to be essential at a moment when globalization has diluted the concept of the nation. But if the FTAA is irreversible, the road there is not a disaster.... For Brazil, the priority is to give continuity to Mercosul to transform it into a South American Free Trade Area.

"It is crucial to differentiate between the adherence to the FTAA and unconditional surrender to the United States. Enrollment in the FTAA can and must be negotiated. It is necessary to gain time for the coordination of exchange, interest and tariff policies, which are in conflict today even within Mercosul. It is also urgent for Brazil to become competitive.... The time for unilateral and hasty adherence to liberalization is already over.... The force in the negotiations depend on internal political mobilization. Unfortunately, economic diplomacy still sounds like a remote topic for Brazilian businessmen, labor leaders and politicians. The way to the FTAA will be more secure and legitimate the more society participates in this intense negotiating effort."

"We Are Losing The Game In The FTAA"

CUT (Brazilian largest labor unions' federation) secretary for international relations, Kjeld Jakobsen, wrote in liberal Folha de Sao Paulo (4/7) on the FTAA: "It has become increasingly clearer that Brazil has nothing to gain with a trade accord of this type. There is no sector in the Brazilian economy capable of facing the process of economic opening

involved in the FTAA, even though it will only occur in 2005, especially in view of the competition with U.S. multinational corporations.... We know perfectly what has represented the recent indiscriminate and irresponsible opening of Brazil's economy: an unemployment rate of 18 percent which is still on the rise....

"The government of Brazil is aware of the risks but remains silent. The labor unions have openly said that the FTAA is an unfair and anti-democratic process that must be fought.... The government's tactic in the negotiations has been that of raising obstacles to the speed pursued by U.S. negotiators, but without saying clearly that the FTAA does not interest Brazil.... The government has tried to sell the news that Brazil achieved important diplomatic victories in the San Jose meeting [on FTAA]. But the reality is not that.... If anyone took medals home, it was the U.S. government. It has overcome the major obstacles and pushed the negotiations ahead, thereby jeopardizing the other nations, including those members of Mercosul....

"When I mention the United States, I am not led by anti-American feelings, but because the United States is the one that will really gain with the FTAA. It needs it to fight its trade deficit and does not intend to give up the national interest in exchange for any integration process. For example, the Americans would never accept that the free flow of products and capital were accompanied by the free flow of manpower, respect and fostering of migrant workers' rights on the continent as our labor movement defends. We cannot bet only on the refusal of the fast track by the U.S. Congress as an obstacle to the FTAA. The realistic alternative

is to say that the FTAA does not interest us. Our integration priorities are the consolidation of Mercosul and the tightening of trade relations with other partners in the continent and even outside it."

"Inferiority Complex"

Center-right O Estado de Sao Paulo's lead editorial (4/4) commented on recent criticism by local opposition politicians regarding Brazil's participation in the FTAA, and said that "to abandon the negotiation table is a harebrained idea. What makes sense is to evaluate the efficiency of Brazil's negotiating strategies. They consist of extending to the maximum possible the negotiations deadline so that the FTAA will not be established before 2005, and in not allowing that during the negotiations the points on which there is consensus are immediately transformed into obligations. This is aimed at giving time to the national industry to prepare itself for an environment of greater competitiveness and obtain from the United States the elimination of non-tariff barriers which would make trade conditions even more unequal.... It is necessary that the gap be reduced, and this will only be possible if, during the negotiations, the United States agrees to eliminate the non-tariff barriers that prevent or burden the exports to that nation of important products for the region's economy, as it is in the case of Brazilian steel, footwear and juices.

"In addition to gaining time to adapt itself to the conditions of the future integration, the Brazilian business community is actively participating in the process by assisting the government and discussing with business organizations of the other nations of the region, the best

ways of stimulating hemispheric trade and softening the traumas that the broadening of the trade opening may cause to some sectors.... No important business leader has dissuaded Brazil's enrollment into the FTAA.... Criticism by opposition politicians is an ideological-type restriction that reflects a morbid hate of the United States, a hate that has only increased after the U.S. victory in the Cold War. The fear that Washington dictates the terms of the hemispheric integration can only be explained by an inferiority complex."

MEXICO: "Narcotics A Priority Issue"

Largely news coverage in Mexico included independent Reforma's headline treatment (4/14): "Zedillo begins trip to South America; 34 heads of state seek cooperation.... Accords on extradition and petroleum are expected.... Narcotics trafficking a priority issue." A sidebar noted "Themes of President Zedillo's trip," which include: "Creating a free trade area of the hemisphere; Falling oil prices; Signing extradition treaties; Hemispheric cooperation to counter trafficking in illegal drugs and arms; Helms-Burton law; Preserving and strengthening democracy and human rights; Economic integration and free trade; Eradicating poverty."

"The Agenda For Santiago"

Renowned novelist and essayist Carlos Fuentes observed in independent Reforma (4/6): "The Summit of the Americas...has a 'visible' and an 'invisible' agenda. Free trade and education head the topics on the

visible agenda; Cuba and the arms race the invisible one. All the heads of state attending the summit are strong supporters of free trade. They are convinced that a growing exchange of capital, goods and services in an interdependent world does not represent a zero-sum game, since neither investment nor production are fixed. The conclusion is that through free trade, all the economies can and should prosper together, not that some can prosper at the expense of others.... Clinton would make a big mistake if he seeks in Santiago to force the pace of those agreements in order to gain, as soon as possible, a hemispheric free trade zone 'from Alaska to Cape Horn.' In fact, both NAFTA and Mercosur are just beginning and both still face the risk of sailing without direction. Both trade associations still have to discover the weight and obstacles they both have to share and overcome....

"The heads of state attending the Santiago summit must be concerned about the flagrant absence of the human factor from discussions on free trade. We have wrongly become accustomed to talking only about things and never about people. When will we start to be seriously concerned for people, workers and the environment? It is with regard to this theme that education becomes another star topic in the summit.... Latin American countries need growth, education and employment. Fortunately, education is a top priority for President Clinton."

EUROPE

CANADA: "Free Trade Comes At A Price"

Stephen Handelman wrote in the liberal Toronto Star (4/14): "The relationship between trade and other issues like crime and democracy is not often easily understood. In a simpler world, the market is all that counts. But as leaders of the hemisphere prepare to meet Saturday in Santiago, Chile, to discuss a landmark free trade agreement, these other issues are going to become crucial.... The leaders are expected to create a multilateral counter-narcotics alliance.... Also on tap are hemispheric judicial studies center...a new special office to investigate abuses against the press....education reform, urban development and small business.... But we may also have to be willing to pay a higher price, such as in lowering barriers to the mobility of the labor force and foreign investment, or even in more foreign aid. Free trade, in other words, can't be the end of the process. Or we may find that we've all been sold a lemon."

BRITAIN: "Canada Ahead Of The Pack In Latin America"

In the view of the independent Financial Times from Buenos Aires (4/15): "When 34 leaders from North and South America gather in Santiago this weekend to negotiate the Free Trade Area of the Americas (FTAA), Canada may find itself well ahead at the bargaining table. The hemisphere's northernmost member has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America.... This is in contrast to the United States, which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fast-track' trade negotiating authority late last year.... It is an important head start for

Canada and is a position Canada has often used to its benefit, encouraging new trade partners to work together as a counterweight to American influence in the hemisphere."

"Widespread Feeling U.S. Has Lost Interest, Again"

According to the independent weekly Economist (4/9): "A sense of anti-climax will hang as thickly in the air as the Santiago smog.

"One reason is simply that this is the second time around: Miami was a giant step, the first pan-American summit since an ineffectual affair 27 years earlier whose main, American-inspired aim was to isolate Cuba. And whereas the Miami invitations came from the leader of the world's superpower, Santiago has been arranged by a 24-country group, more democratic but more routine. The big reason, however, is a widespread feeling that the United States has again lost interest in Latin America, and that its policies in the region--whether on trade, drugs or Cuba--are being driven by domestic politics, not broad, strategic vision. That disillusionment has been crystallized by Mr. Clinton's failure to win fast-track trade negotiating authority from Congress."

EAST ASIA

CHINA: "Will Summit Be In Interest Of All Peoples In Americas?"

The official, English-language China Daily's Ge Mini observed (4/15), "Not everyone is confident that the summit will benefit the interests of the

people in both the North and South Americas. The first summit had aspired to establish an Americas Free Trade Zone by 2005, but protectionist forces have been stirring, and it now looks unlikely that the target will be met."

SOUTH KOREA: "Will Clinton Bring About Constructive Results?"

Conservative Segye Ilbo (4/15) commented, "Now out of the woods with regard to his sex scandals, and after a successful visit to Africa, President Clinton now embarks on a 'global village tour,' starting with the summit of the Americas in Chile.... The summit will discuss setting up an Americas-wide free trade zone. Whether the president will be able to bring about constructive results at the meeting remains to be seen, as he is deprived of 'fast-track authority.'"

##===== ATTACHMENT 1 =====

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RFC-822-headers:

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Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #22921) with ESMTTP id <01IVWB5SNII0007F22@PMDF.EOP.GOV> for schwartz_l@a1.eop.gov; Wed, 15 Apr 1998 11:47:31 -0400 (EDT)

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6511 Ann Pincus, Director Archived at:
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SUMMIT OF THE AMERICAS II:
WITHOUT FAST TRACK, 'DISILLUSIONMENT,' 'DISAPPOINTMENT' LOOMS

As President Clinton prepares to travel tonight to Santiago to pay a state
vis
it to Chilean President Eduardo Frei and then join heads of state from 33
other
Western Hemisphere nations for the twoday Summit of the Americas in
that city,
observers in the region and elsewhere did not express much
enthusiasm for this
second gathering of hemispheric leaders. The
"disillusionment" with the confa
b evidenced by a majority of commentators was
explained most succinctly by Buen
os Aires' businessoriented El Cronista:
"The disappointment which...looms over
politicians and diplomats of several
countries is explained by Bill Clinton'
s misfortune: the failure of the U.S.
president to obtain Congressional approva
l for fast track trade authority....
This has diminished the goal of kicking o
ff FTAA [Free Trade Area of the
Americas] negotiations...the key issue which ha
d been set for this summit."
A majority of commentators contended that with
the U.S. president arriving
"emptyhanded" in Santiago, the viability of the ent
ire summit has been

"reduced," leading a few to suggest that perhaps it would have been better to postpone the meeting. Their glum view of the summit aside, a few analysts nevertheless insisted that Latin America remains committed to strengthening trade ties with the U.S. "The Santiago summit has lost its importance;" O Estado de Sao Paulo stressed, but the "trade and financial relationship with Washington has not." Other pundits many hailing from host country Chile were more positive in their outlook on the summit, noting that other pressing regional issues besides trade, such as democracy, education, drug trafficking and Cuba, will now take center stage. Following are salient themes in the commentary:

X' hp x (#
BIGGEST DISAPPOINTMENT LACK OF FAST TRACK: The dominant theme in pre-summit

editorials was the president's lack of fast track authority. Opinionmakers agreed with the judgment that the absence of the trade authority makes negotiation of a hemispheric trade treaty "impracticable." Analysts expressed concern that the sentiment in the U.S. and Congress appears to be increasingly "protectionist and isolationist." Bridgetown's pro-government Nation lamented that a "sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the U.S. and their supporters on Capitol Hill." London's independent Financial Times issued a warning about what Congressional skittishness over free trade might be costing Washington. Canada, the daily noted, "has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America...in contrast to the U.S., which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fasttrack.'" A number of writers in Latin America and Europe suggested that the challenge for the U.S. government will be to maintain America's interest in the hemispheric process.
STATE VISIT TO CHILE: Stressing that the U.S. is Chile's "main trade partner,

" editorialists in Chile looked forward to President Clinton's visit.
Papers outlined what would most likely be topics of discussion between the
leaders, including the possible future Chilean purchase of U.S. aircraft and
"successive problems arising with national Chilean exports" to the U.S.
This survey is based on 27 reports from 8 countries, April 415.
EDITORS: Diana McCaffrey and Mildred Sola Neely

LATIN AMERICA AND THE CARIBBEAN

X hp x (#

CHILE: "A Summit Of Historic Importance"

Governmentowned, editorially independent La Nacion (4/14) carried this
comment

: "One of the great challenges in the meeting will be to move
forward towards

economic integration through the signing of an agreement
for...the Free Trade

Area of the Americas, FTAA.... The objective is to

reach an agreement for a po

tential market of over 750 million people which

will facilitate interregional c

ontacts in areas such as transportation,

telecommunications, energy cooperation

and investments.... The summit will

also deal with the strengthening of democ

racy and human rights. There is

consensus among American nations that it is nec

essary to have efficient and

impartial legal institutions to reach those goals.

... The summit has

historic importance. As Foreign Minister Jose Miguel Insul

za said, what it

is all about is to prepare ourselves collectively to face the

challenges of

the new century and of the new millennium."

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"Clinton Visit"

X hp x (#

Conservative, popular Las Ultimas Noticias (4/13) carried an oped piece by

Sen

ate president Andres Zaldivar: "U.S. President Bill Clinton's visit should

be n

oted in the framework of the summit.... His presence at the summit is

logical

, very positive and will contribute to his listening once more and

reflecting

on the needs, principles and social, economic and cultural ideas

of the majori

ty of the member countries of the Summit of the Americas.

Another positive as

pect is that Clinton is coming for an official visit to

our country, which will have other objectives and purposes in benefit of both our countries, considering that the United States is our country's main trade partner."

X' hp x (# "Second Summit Of The Americas"

Conservative, influential, newspaper of record El Mercurio (4/11) carried this
oped by Foreign Minister Jose Miguel Insulza: "The gap which separated the North from the South of our hemisphere is dramatically smaller today. With all its limitations and inequities, Latin America is an economic and political reality of much larger proportions than it was fifty years ago.... Democratically elected leaders of the region will meet at the summit under these new circumstances.... Since the last summit, improvements have been enormous in South America, especially through Mercosur and the revitalization of the Andean Community.... The Miami proposal for...a Free Trade Area of the Americas...is still viable, but has changed in orientation. The lack of authorization by the U.S. Congress to allow the Executive Branch to negotiate an FTAA has moved the initiative to other countries.... The issue, then, is to pave the way for the new relationship established among Latin American countries based upon the solid principles that unite us. We do not believe that all our differences have disappeared as if through magic. But we do believe that the basis is beginning to be set for a new hemispheric multilateralism."

"The Purpose Of Summits"

Government-owned, editorially independent La Nacion (4/10) carried this
piece by international news commentator Alberto Sepulveda: "One must remember that in the past Latin America lacked great importance in world affairs. U.S. hegemony was total, and that country applied the principle of dividing in order to reign. The U.S. State Department dealt with each country separately, thus stressing the inequity of power between a superpower and an underdeveloped nation."

tion. Summits have changed this and now...Latin American countries have considerably improved their ability to negotiate with the United States, the European Union and Japan.... Summits are part of a process through which Latin Americans start to build up international strategies of policies and development with a growing degree of autonomy. Each summit is a step forward in that direction and must be analyzed as a whole, not in an isolated form."

"Talking Things Over With U.S. President"

Influential, centrist La Epoca commented (4/9): "From a strictly bilateral viewpoint, there are several issues that President Eduardo Frei will have to talk over with U.S. President Bill Clinton as part of the state visit to be held before the summit. Although up to now authorities have not outlined the details of the reciprocal agenda, it is not difficult to suppose that points such as the future purchase of U.S. aircraft, the possibilities of Washington to obtain fast track authorization and successive problems arising with national (Chilean) exports to that country will be issues to debate.... On a hemispheric level in the meantime, the idea of putting an end to unilateral certification on the part of the United States in the fight against drug trafficking has not only reinforced the Latin American consensus on the matter, but has obliged that power, the United States, to anticipate changes in its policy."

"Clinton's Significant State Visit"

Government-owned, editorially independent La Nacion observed in a special editorial article (4/9): "President Clinton's visit is significant because the United States is the most important country on a global basis and also particularly because, during the present year, the United States continued to be the main investor in Chile.... The new condition in the relationship that Chile has with Mercosur is also important because the perception of U.S. authorities regardi

ng Mercosur's potential as a market for its exports, as well as Mercosur's future relationship with the European Union, Canada and others, could mean competition for the United States in those areas.

This will make Washington give greater relevance to the analysis of its relations with the region and with Chile in particular."

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"Clinton Can Offer Planes, But Not Independence"

X' hp x (#Conservative, massappeal Las Ultimas Noticias wondered (4/7), "What can Bill

Clinton really offer during his stay in Chile for the Chilean Air Force to

buy U.S. aircraft? In concrete terms, the U.S. president cannot provide our

country with political certainty. Thus, an offer linked to the Chilean Air Force's interest in acquiring missiles of advanced technology is forseen.

Recen

t statements by Foreign Minister Jose Miguel Insulza, while recognizing a 'poli

tical factor' in an eventual purchase of planes from the United States, must be

understood. For the first time the Foreign Relations Ministry publicly stated

what has been an open secret during the Chilean Air Force's milliondollar nego

tiation to completely renew its fleet for the next century.

"Additionally, if a U.S. plane were to be chosen, the U.S. Congress would have

to ratify the transaction, and it would not be strange for Chile to be exposed

to a political judgment it does not desire. Thus, Insulza's words are a direct

message to the White House noting that the government clearly knows that Bill

Clinton cannot offer a determining factor such as political independence."

ARGENTINA: "Focus On Press Freedom"

Jorge Elias, Washingtonbased correspondent for dailyofrecord La Nacion, said (

4/15): "A few hours before leaving on Air Force One for Santiago, Chile, Bill

Clinton's men keep on extolling the role of the press in strengthening regional

democracy. And it will be the president of the United States, after his offic

ial, twoday visit to Chile starting tomorrow, who

will speak about this subject over the weekend, in the second Summit of the Americas, according to what Clinton agreed on with other 33 presidents of the continent (all but Cuba) in the meetings held by his advisers since over one year ago....

"As a prelude to the summit, the Interamerican Commission of Human Rights of the Organization of American States (OAS) agreed to create the position of special reporter/relator, in order to analyze...journalists' role at the national and continental level.

"The project, promoted by independent institutions, is supported by the United States. The idea was in Clinton's mind since the end of his visit to Bariloche last October.... The White House talks about the advantage of an independent officer...but the OAS does not seem to agree with that. The doubt is caused by the attitude to be adopted by countries used to blaming journalists for everything."

"Summit With A Changed Agenda"

Jorge Sosa opined in business-oriented El Cronista (4/14): "Without the glamour many had expected on this occasion, 34 presidents among them Carlos Menem will meet Friday in Santiago, Chile, in the framework of what will be the second Summit of the Americas. The disappointment which, at this point, looms over politicians and diplomats of several countries is explained by Bill Clinton's misfortune: the failure of the U.S. president to obtain Congressional approval for fast track trade authority.... This has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit.

"The fact that Clinton lands in Chile empty-handed forced the subsequent change in topics. This is why the political no less complicated issues began to top the agendas. Even though, formally, 'education' was selected as the 'key issue' of the discussions which will take place at the Sheraton

Hotel, El Cronista found out that the changing relationship with Fidel Castro's regime, which could imply a greater openness towards the island, and the delicate political situation in Paraguay and Colombia, will at least be part of the informal conversations among heads of state. On the other hand, they will propose the creation of an alliance to fight drugtrafficking. As in the first Summit of the Americas in Miami, in 1994, Cuba will be the only country without any representation.. .. Will FTAA negotiations advance without any reference to the island? Will Washington propose a new focus, at least a minor one, regarding the political and commercial relationship with Castro's government? These are some of the questions which have been clouding the minds of the members of several delegations since last week."

X hp x (# BARBADOS: "Summit Will Lack Fire Because Clinton Lacks Fast Tack"
X hp x (#

The progovernment Nation's North American editor commented (4/13) that, because Clinton lacks fast track authority, "the negotiating process wouldn't have the fire that's needed to pull it off. That's not to suggest that education isn't important. But what started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the United States and their supporters on Capitol Hill who fear a loss of more U.S. jobs to Latin America and Caribbean countries if a trade pact becomes a reality.

"The decision to highlight education at the summit would have been hailed if the United States, for example, was going to put some new resources into the Caribbean and Latin America to help the countries expand their school systems to meet the needs of an increasingly technological world. With no additional funds, hemisphere nations will be hard pressed to implement many of the programs which the leaders plan to agree on. Small wonder that some

of the leaders are saying privately that a postponement of the summit would have been a good idea."

BRAZIL: "An Empty Summit"

X hp x (#

Centerright O Estado de Sao Paulo held (4/14): "The summit in Miami was held

without any previously defined agenda. The FTAA idea surged as a lastminute r

esource to avoid the failure of the summit convoked by the U.S. president. Br

azil and its partners in Mercosul will not support a new trade treaty...that g

ives obvious advantage to the United States in the trade relationship. The U.

S. Congress denied President Clinton fast track

authority, which makes negotia

tion of a trade treaty impracticable.

"Once again, the U.S. government is dealing with an agenda (this time) in Sant

iago, that does not justify the attendance of 34 heads of state. The main them

e of education could be treated equally by the ministers. Last Friday, O Esta

do published an article by Secretary Madeleine Albright, which clearly shows t

hat FTAA had its importance reduced among U.S. foreign policy priorities. Howe

ver, it is necessary to make a distinction between the lowering of the FTAA as

a priority and the importance that the hemisphere, especially Brazil, has for

U.S. foreign trade. The FTAA lost its momentum because President Clinton was

not able to convince the U.S. Congress of the advantages of a new and ample

commercial regional accord. The U.S. Congress has revealed strong protectionis

t and isolationist tendencies, a situation that many countries in the hemisphe

re prefer not to face. But trade with the countries in the area continues to

be of great importance to the United States...and it is more important than th

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"New Initiative To Combat Narcotrafficking Expected At Summit"

Liberal Folha de Sao Paulo observed (4/11): "The summit meeting in Chile is expected to launch a new initiative to combat narcotrafficking, which includes the creation of a center of studies in Panama City. But it will not be mere academic study: The American intelligence service will support the initiative, which is incidentally a U.S. proposal. The fight on narcotrafficking needs efforts that go beyond our borders. It is 'the number one threat to the security of the Americas,' says Thomas McClarty, President Bill Clinton's representative to the Americas. The range of this initiative will depend on overcoming resistance of many Latin American governments present [to the issue]. They think it means interference in their domestic affairs. That's why the draft of the text ready to be signed in Chile by the 34 FTAA's chiefs of state is cautious."

"The Road To Santiago"

An editorial in liberal Folha de Sao Paulo stressed (4/8): "Despite teeth gnawing by protectionists and labor leaders, regional integration is unavoidable.

Actually, it is one of the most important areas where the action of states continues to be essential at a moment when globalization has diluted the concept of the nation. But if the FTAA is irreversible, the road there is not a disaster.... For Brazil, the priority is to give continuity to Mercosul to transform it into a South American Free Trade Area.

"It is crucial to differentiate between the adherence to the FTAA and unconditional surrender to the United States. Enrollment in the FTAA can and must be negotiated. It is necessary to gain time for the coordination of exchange, interest and tariff policies, which are in conflict today even within Mercosul. It is also urgent for Brazil to become competitive.... The time for unilateral and hasty adherence to liberalization is already over.... The force in the negotiations depend on internal political mobilization. Unfortunately, economic diplomacy still sounds like a remote

topic for Brazilian businessmen, labor leaders and politicians. The way to the FTAA will be more secure and legitimate the more society participates in this intense negotiating effort."

X hp x (#

"We Are Losing The Game In The FTAA"

X hp x (#

CUT (Brazilian largest labor unions' federation) secretary for international relations, Kjeld Jakobsen, wrote in liberal Folha de Sao Paulo (4/7) on the FTA

A: "It has become increasingly clearer that Brazil has nothing to gain with

a trade accord of this type. There is no sector in the Brazilian economy capable

of facing the process of economic opening involved in the FTAA, even though

it will only occur in 2005, especially in view of the competition with U.S.

multinational corporations.... We know perfectly what has represented the recent

indiscriminate and irresponsible opening of Brazil's economy: an unemployment

rate of 18 percent which is still on the rise....

"The government of Brazil is aware of the risks but remains silent. The labor

unions have openly said that the FTAA is an unfair and antidemocratic process

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that of raising obstacles to the speed pursued by U.S. negotiators, but without

saying clearly that the FTAA does not interest Brazil.... The government has

tried to sell the news that Brazil achieved important diplomatic victories

in the San Jose meeting [on FTAA]. But the reality is not that.... If anyone

took medals home, it was the U.S. government. It has overcome the major obstacles

and pushed the negotiations ahead, thereby jeopardizing the other nations

, including those members of Mercosul....

"When I mention the United States, I am not led by anti-American feelings, but

because the United States is the one that will really gain with the FTAA. It needs

it to fight its trade deficit and does not intend to give up the national

interest in exchange for any integration process. For example, the Americans

would never accept that the free flow of products and capital were accompanied by the free flow of manpower, respect and fostering of migrant workers' rights on the continent as our labor movement defends. We cannot bet only on the refusal of the fast track by the U.S. Congress as an obstacle to the FTAA. The realistic alternative is to say that the FTAA does not interest us. Our integration priorities are the consolidation of Mercosul and the tightening of trade relations with other partners in the continent and even outside it."

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"Inferiority Complex"

X' hp x (#

Centerright 0 Estado de Sao Paulo's lead editorial (4/4) commented on recent criticism by local opposition politicians regarding Brazil's participation in the FTAA, and said that "to abandon the negotiation table is a harebrained idea.

What makes sense is to evaluate the efficiency of Brazil's negotiating strategies.

They consist of extending to the maximum possible the negotiations deadline

so that the FTAA will not be established before 2005, and in not allowing that

during the negotiations the points on which there is consensus are immediately

transformed into obligations. This is aimed at giving time to the national industry

to prepare itself for an environment of greater competitiveness and obtain

from the United States the elimination of nontariff barriers which would make

trade conditions even more unequal....

It is necessary that the gap be reduced, and this will only be possible if,

during the negotiations, the United States agrees to eliminate the nontariff

barriers that prevent or burden the exports to that nation of important

products for the region's economy, as it is in the case of Brazilian steel,

footwear and juices.

"In addition to gaining time to adapt itself to the conditions of the future in

integration, the Brazilian business community is actively participating in the process

by assisting the government and discussing with business organizations of

the other nations of the region, the best ways of stimulating hemispheric trade and softening the traumas that the broadening of the trade opening may cause to some sectors.... No important business leader has dissuaded Brazil's enrollment into the FTAA.... Criticism by opposition politicians is an ideological type restriction that reflects a morbid hate of the United States, a hate that has only increased after the U.S. victory in the Cold War. The fear that Washington dictates the terms of the hemispheric integration can only be explained by an inferiority complex."

X hp x (#

X hp x (# MEXICO: "Narcotics A Priority Issue"

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Largely news coverage in Mexico included independent Reforma's headline treatment (4/14): "Zedillo begins trip to South America; 34 heads of state seek cooperation.... Accords on extradition and petroleum are expected.... Narcotics trafficking a priority issue." A sidebar noted "Themes of President Zedillo's trip," which include: "Creating a free trade area of the hemisphere; Falling oil prices; Signing extradition treaties; Hemispheric cooperation to counter trafficking in illegal drugs and arms; HelmsBurton law; Preserving and strengthening democracy and human rights; Economic integration and free trade; Eradicating poverty."

X hp x (#

"The Agenda For Santiago"

Renowned novelist and essayist Carlos Fuentes observed in independent Reforma

(4/6): "The Summit of the Americas...has a 'visible' and an 'invisible' agenda

. Free trade and education head the topics on the visible agenda; Cuba and the arms race the invisible one. All the heads of state attending the summit are strong supporters of free trade. They are convinced that a growing exchange of capital, goods and services in an interdependent world does not represent a zero-sum game, since neither investment nor production are fixed. The conclusion

is that through free trade, all the economies can and should prosper together, not that some can prosper at the expense of others.... Clinton would make a big mistake if he seeks in Santiago to force the pace of those agreements in order to gain, as soon as possible, a hemispheric free trade zone 'from Alaska to Cape Horn.' In fact, both NAFTA and Mercosur are just beginning and both still face the risk of sailing without direction. Both trade associations still have to discover the weight and obstacles they both have to share and overcome....

"The heads of state attending the Santiago summit must be concerned about the flagrant absence of the human factor from discussions on free trade. We have not only become accustomed to talking only about things and never about people. When will we start to be seriously concerned for people, workers and the environment? It is with regard to this theme that education becomes another star topic in the summit.... Latin American countries need growth, education and employment. Fortunately, education is a top priority for President Clinton."

EUROPE

CANADA: "Free Trade Comes At A Price"

X hp x (#

Stephen Handelman wrote in the liberal Toronto Star (4/14): "The relationship between trade and other issues like crime and democracy is not often easily understood. In a simpler world, the market is all that counts. But as leaders of the hemisphere prepare to meet Saturday in Santiago, Chile, to discuss a landmark free trade agreement, these other issues are going to become crucial.... The leaders are expected to create a multilateral counternarcotics alliance.... Also on tap are hemispheric judicial studies center...a new special office to investigate abuses against the press....education reform, urban development and small business.... But we may also have to be willing to pay a higher price, such as in lowering barriers to the mobility of the labor force and

foreign investment, or even
in more foreign aid. Free trade, in other words,
can't be the end of the
process. Or we may find that we've all been sold a l
emon."

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BRITAIN: "Canada Ahead Of The Pack In Latin America"

In the view of the independent Financial Times from Buenos Aires (4/15):
"When

34 leaders from North and South America gather in Santiago this weekend
to neg

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authority late last year.... It is an

important head start for Canada and is
a position Canada has often used to its

benefit, encouraging new trade
partners to work together as a counterweight to

American influence in the
hemisphere."

"Widespread Feeling U.S. Has Lost Interest, Again"

According to the independent weekly Economist (4/9): "A sense of anticlimax
w

ill hang as thickly in the air as the Santiago smog.

"One reason is simply that this is the second time around: Miami was a giant
st

ep, the first panAmerican summit since an ineffectual affair 27 years
earlier w

hose main, Americaninspired aim was to isolate Cuba. And whereas
the Miami inv

itations came from the leader of the world's superpower,
Santiago has been arra

nged by a 24country group, more democratic but more
routine. The big reason, h

owever, is a widespread feeling that the United
States has again lost interest

in Latin America, and that its policies in the
regionwhether on trade, drugs or

Cubaare being driven by domestic
politics, not broad, strategic vision. That

disillusionment has been

crystallized by Mr. Clinton's failure to win fast-track
trade negotiating
authority from Congress."

EAST ASIA

CHINA: "Will Summit Be In Interest Of All Peoples In Americas?"

The official, English-language China Daily's Ge Mini observed (4/15), "Not
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FOREIGN MEDIA REACTION
EARLY REPORT

U.S. INFORMATION AGENCY, WASHINGTON DC 20547

USIA

OFFICE OF RESEARCH AND MEDIA REACTION

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Wednesday, April 15, 1998

SUMMIT OF THE AMERICAS WILL LACK TRADE 'FIRE' ABSENT 'FAST TRACK'

The press abroad spoke of "disappointment" and lowered expectations as President Clinton and 33 other Western Hemisphere leaders travel to Santiago de Chile for the Saturday opening of the second Summit of the Americas. Analysts judged that the U.S. Congress' failure to give Mr. Clinton fast-track authority had undermined the summit's main goal: launching negotiations to create a free-trade zone, the Free Trade Area of the Americas (FTAA), from Alaska to Tierra del Fuego. Buenos Aires's business-oriented El Cronista held that the congressional refusal "has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit," and Bridgetown's pro-government Nation lamented, "What started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been...derailed, by labor unions in the U.S. and their supporters on Capitol Hill." London's independent Financial Times issued a warning about what Congressional skittishness over free trade might be costing Washington. Canada, the daily noted, "has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America...in contrast to the U.S., which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fast-track.'"

Writers concluded that political and social themes would replace trade as the centerpiece of the meeting. Observers in Santiago, Buenos Aires, Mexico and other capitals pointed out that the hemisphere leaders instead will discuss education, democracy, press freedom, drug trafficking, Cuba and political instability in Colombia and Paraguay. Center-right O Estado de Sao Paulo complained, as did others, that the hollowed-out summit "does not justify the attendance of 34 heads of state. The main theme of education could be treated equally by ministers." Nevertheless, this paper and counterparts elsewhere insisted that Latin America remains committed to strengthening trade ties with the U.S. "The Santiago summit has lost its importance;" O Estado stressed, adding, "The trade and financial relationship with Washington has not."

BRIEFS

- G-7 Meeting: 'Washington Will Put Pressure On Japan'
- Korea Talks: 'Pyongyang Taking A More Flexible Position'
- Russia: Will Kiriyenko Make It Through Round Two In Duma?
- Ex-Yugoslavia: 'Rebellion in Montenegro; Where Is Karadzic?'
- Breard Execution: 'Is U.S. Violating Human Rights?'

EDITORS: Mildred Sola Neely, Bill Richey and Kathleen J. Brahney

SUMMIT OF THE AMERICAS WILL LACK TRADE 'FIRE' ABSENT 'FAST TRACK'

CHILE: "A Summit Of Historic Importance"

Government-owned, editorially independent La Nacion (4/14) carried this comment: "One of the great challenges in the meeting will be to move forward towards economic integration through the signing of an agreement for...the Free Trade Association of the Americas, FTAA.... The objective is to reach an agreement for (a potential) market of over 750 million people which will facilitate interregional contacts in areas such as transportation, telecommunications, energy cooperation and investments.... The summit will also deal with the strengthening of democracy and human rights. There is consensus among American nations that it is necessary to have efficient and impartial legal institutions to reach those goals.... The summit has historic importance. As Foreign Minister Jose Miguel Insulza said, what it is all about is to prepare ourselves collectively to face the challenges of the new century and of the new millennium."

ARGENTINA: "Focus On Press Freedom"

Jorge Elias, Washington-based correspondent for daily-of-record La Nacion, said (4/15): "A few hours before leaving on Air Force One for Santiago, Chile, Bill Clinton's men keep on extolling the role of the press in strengthening regional democracy. And it will be the president of the United States, after his official, two-day visit to Chile starting tomorrow, who will speak about this subject over the weekend, in the second Summit of the Americas, according to what Clinton agreed on with other 33 presidents of the continent (all but Cuba) in the meetings held by his advisers since over one year ago...."

"As a prelude to the summit, the Interamerican Commission of Human Rights of the Organization of American States (OAS), agreed to create the position of special reporter/relator, in order to analyze... (journalists') role at the national and continental level. The project, promoted by independent institutions, is supported by the United States. The idea was in Clinton's mind since the end of his visit to Bariloche last October.... The White House talks about the advantage of an independent officer... but the OAS does not seem to agree with that. The doubt is caused by the attitude to be adopted by countries used to blaming journalists for everything."

"Summit With A Changed Agenda"

Jorge Sosa opined in business-oriented El Cronista (4/14): "Without the glamour many had expected on this occasion, 34 presidents--among them Carlos Menem--will meet Friday in Santiago, Chile, in the framework of what will be the second Summit of the Americas. The disappointment which, at this point, looms over politicians and diplomats of several countries is explained by Bill Clinton's misfortune: the failure of the U.S. president to obtain Congressional approval for fast track trade authority.... This has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit."

"The fact that Clinton lands in Chile empty-handed forced the subsequent change in topics. This is why the political--no less complicated--issues began to top the agendas. Even though, formally, 'education' was selected as the 'key issue' of the discussions which will take place at the Sheraton Hotel, El Cronista found out that the changing relationship with Fidel Castro's regime, which could imply a greater openness towards the island, and the delicate political situation in Paraguay and Colombia, will at least be part of the informal conversations among heads of state. On the other hand, they will propose the creation of an alliance to fight drug-trafficking. Like in the first Summit of the Americas in Miami, in 1994, Cuba will be the only country without any representation.... Will FTAA negotiations advance without any reference to the island? Will Washington propose a new focus, at least a minor one, regarding the political and commercial relationship with Castro's government? These are some of the

questions which have been clouding the minds of the members of several delegations since last week."

BARBADOS: "Summit Will Lack Fire Because Clinton Lacks Fast Track"

The pro-government Nation's North American editor commented (4/13) on the upcoming Santiago Summit, saying that, because Clinton lacks fast track authority, "the negotiating process wouldn't have the fire that's needed to pull it off. That's not to suggest that education isn't important. But what started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the United States and their supporters on Capitol Hill who fear a loss of more U.S. jobs to Latin America and Caribbean countries if a trade pact becomes a reality.

"The decision to highlight education at the summit would have been hailed if the United States, for example, was going to put some new resources into the Caribbean and Latin America to help the countries expand their school systems to meet the needs of an increasingly technological world. With no additional funds, hemisphere nations will be hard-pressed to implement many of the programs which the leaders plan to agree on. Small wonder that some of the leaders are saying privately that a postponement of the summit would have been a good idea."

BRAZIL: "An Empty Summit"

Center-right O Estado de Sao Paulo held (4/14) that "the summit in Miami was held without any previously defined agenda. The FTAA idea surged as a last minute resource to avoid the failure of the summit convoked by the U.S. president. Brazil and its partners in Mercosul will not support a new trade treaty...that gives obvious advantage to the United States in the trade relationship. The U.S. Congress denied President Clinton fast track authority, which makes negotiation of a trade treaty impracticable. Once again, the U.S. government is dealing with an agenda (this time) in Santiago, that does not justify the attendance of 34 heads of state. The main theme of education could be treated equally by the ministers. Last Friday, O Estado published an article by Secretary Madeleine Albright, which clearly shows that FTAA had its importance reduced among U.S. foreign policy priorities. However, it is necessary to make a distinction between the lowering of the FTAA as a priority and the importance that the hemisphere, especially Brazil, has for U.S. foreign trade. The FTAA lost its momentum because President Clinton was not able to convince the U.S. Congress of the advantages of a new and ample commercial regional accord. The U.S. Congress has revealed strong protectionist and isolationist tendencies, a situation that many countries in the hemisphere prefer not to face. But trade with the countries in the area continues to be of great importance to the United States...and it is more important than the formality of the FTAA's creation. The Santiago summit has lost its importance; the trade and financial relationship with Washington, has not."

MEXICO: "Narcotics A Priority Issue"

Largely news coverage in Mexico included independent Reforma's headline treatment (4/14): "Zedillo begins trip to South America; 34 heads of state seek cooperation....Accords on extradition and petroleum expected...Narcotics trafficking a priority issue." Sidebar noted "Themes of President Zedillo's trip," which include: "Creating a free trade area of the hemisphere; Falling oil prices; Signing extradition treaties; Hemispheric cooperation to counter trafficking in illegal drugs and arms; Helms-Burton law; Preserving and strengthening democracy and human rights; Economic integration and free trade; Eradicating poverty."

CANADA: "Free Trade Comes At A Price"

Stephen Handelman wrote in the liberal Toronto Star (4/14): "The relationship between trade and other issues like crime and democracy is not often easily understood. In a simpler world, the market is all that counts. But as leaders of the hemisphere prepare to meet Saturday in Santiago, Chile, to discuss a landmark free trade agreement, these other issues are going to become crucial.... The leaders are expected to create a multilateral counter-narcotics alliance.... Also on tap are hemispheric judicial studies center...a new special office to investigate abuses against the press....education reform, urban development and small business.... But we may also have to be willing to pay a higher price, such as in lowering barriers to the mobility of the labor force and foreign investment, or even in more foreign aid. Free trade, in other words, can't be the end of the process. Or we may find that we've all been sold a lemon."

BRITAIN: "Canada Ahead Of The Pack In Latin America"

In the view of the independent Financial Times from Buenos Aires (4/15): "When 34 leaders from north and south America gather in Santiago this weekend to negotiate the Free Trade Area of the Americas (FTAA), Canada may find itself well ahead at the bargaining table. The hemisphere's northernmost member has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America.... This is in contrast to the United States, which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fast-track' trade negotiating authority late last year.... It is an important head start for Canada and is a position Canada has often used to its benefit, encouraging new trade partners to work together as a counterweight to American influence in the hemisphere."

CHINA: "Will Summit Be In Interest Of All Peoples In Americas?"

The official, English-language China Daily's Ge Mini observed (4/15), "Not everyone is confident that the summit will benefit the interests of the people in both the North and South Americas. The first summit had aspired to establish an Americas Free Trade Zone by 2005, but protectionist forces have been stirring, and it now looks unlikely that the target will be met."

SOUTH KOREA: "Will Clinton Bring About Constructive Results?"

Conservative Segye Ilbo (4/15) commented, "Now out of the woods with regard to his sex scandals, and after a successful visit to Africa, President Clinton now embarks on a 'global village tour,' starting with the summit of the Americas in Chile.... The summit will discuss setting up an Americas-wide free trade zone. Whether the president will be able to bring about constructive results at the meeting remains to be seen, as he is deprived of 'fast-track authority.'"

BRIEFS

G-7 MEETING: 'WASHINGTON WILL PUT PRESSURE ON JAPAN'

JAPAN: "Lessons Of Crisis Should Be Evident At Finance Meetings"

Top-circulation, moderate Yomiuri's editorial said (4/15): "We hope that participants in the meetings will agree that East Asia needs a broad-based support package to end the crises and restore economic stability.... Prime Minister Hashimoto needs to explain to other nations that he is serious about stimulating the weak economy by boosting domestic demand and reducing trade surpluses through his new stimulus package. Japan must also urge the United States and other key nations to cooperate in correcting the weak yen and the strong dollar, a factor contributing Japan's growing trade surplus. Another important issue for the participants to take up at the meetings is a study of the how the current crisis developed so that it never happens again.... Several Asian nations have become critical of the IMF's failure to predict that such an economic crisis could hit the region. These

nations also claim that the world monetary organization aggravated the crisis by forcing them to accept prescriptions that did not reflect the conditions facing them. The IMF should take this criticism to heart the next time it considers what sort of 'rescue package' is appropriate for any given nation or region."

BRITAIN: "U.S. Tells G-7 To Lean On Japan"

The liberal Guardian commented from Washington (4/15): "The Americans believe that placing Japan back on the right track will be an essential component for repairing the global economic architecture.... Both the United States and the IMF fear that the Japanese authorities will not act fast enough to pull Japan back from recession. A slowdown in Japan at a time when the global economy is already weakening as a result of the East Asian crisis, could push the international economy into stagnation."

FRANCE: "Japanese Government More Irritated Than It Says"

Left-of-center Liberation, in comment from Tokyo, judged (4/15): "On the even of the G-7 meeting, the finance minister denies pessimistic forecasts.... The Japanese government is probably more irritated than it says by the critics from its main commercial partners and affiliated organizations."

"Washington Will Put Pressure On Japan"

Jean-Louis Santini commented in wire service AFP (4/15): "At the G-7 meeting in Washington on Wednesday, the United States will put pressure on Japan to implement lasting measures to restart the economy to make sure that the second world economy avoids a recession.... At a press conference in Washington, Robert Rubin said the measures recently announced by the Japanese prime minister were very significant. He immediately added that he wanted to see the details of the program."

GERMANY: "IMF Global Fireman"

Centrist Der Tagesspiegel of Berlin told its readers (4/15): "The IMF may manage its task of serving as global fireman and extinguish the world's fires at the last minute. But it should do more than this. The financial crises and turbulence must not only be managed, they must be prevented. The early warning system, installed after the Mexico crisis, obviously does not work. Acceptance of IMF decisions also needs to be maintained. That is only possible if the financial donors back the IMF without any preconditions and if they support and not dismantle the IMF."

KOREA TALKS: 'PYONGYANG TAKING MORE FLEXIBLE POSITION'

AUSTRALIA: "Now Is Time For Rapprochement"

The liberal Canberra Times editorial said (4/15): "Linking aid to family reunions and the swapping of envoys is more like trying to buy friendship. The question is whether friendship can be bought.... But if the time when reunification stops being a child's picture-book fantasy is still far away, the time for some degree of rapprochement is near. The question for the two Koreas is whether genuine rapprochement can be traded like grain."

GERMANY: "Playing For Time Is Macabre"

In left-of-center Die Tageszeitung of Berlin (4/15), Sven Hansen noted: "Both sides need a

success in the negotiations. The North can hardly survive without help from outside.... The South is in severe economic recession.... Instead of wishing for the collapse of the North, the South now hopes for stabilization and detente on the Korean peninsula.... The great interest of both sides to negotiate, with their unwillingness to

compromise, make this such a difficult situation. In light of the starvation in the North and the millions of people who have not seen their relatives in decades, playing for time is macabre."

"Korea's Communism Is Falling Apart"

In centrist General-Anzeiger of Bonn, Peter Seidlitz commented (4/15): "The regime in Pyongyang is finished.... On the surface, the Korean dialogue is about bringing families together, food and economic assistance, political reconciliation and a non-aggression pact. In reality, South Korean politicians are already thinking about how they can deal with reunification."

BELGIUM: "Pyongyang Taking More Flexible Position"

Asian affairs writer Freddy De Pauw had this assessment in independent Catholic De Standaard (4/15): "In the recent twelve months, Pyongyang has added water to its wine. The four-party consultation between North and South Korea, the United States and China has not yielded any results yet, but the fact that it could be started last year shows that Pyongyang is taking a more flexible position. That relative flexibility is a result not only of the pressure of the famine, but also from neighboring China.... Beijing wants nothing more than calm in the nearby peninsula because the permanent threat of war is bad for China's economic expansion plans. Moreover, Pyongyang...wants to follow the Chinese example.... South Korean President Kim Dae Jung shows more understanding for the situation of the North Koreans than his predecessors. However, Kim Dae Jung is very prudent because he has to on his guard against his opponents who always depict him as a friend of the communists."

RUSSIA: WILL KIRIYENKO MAKE IT THROUGH ROUND TWO IN DUMA?

RUSSIA: "Russia Needs Young Leaders"

Vera Kuznetsova, reporting on yesterday's meeting between President Boris Yeltsin and the Duma's Speaker Gennady Seleznev, wrote on page one of reformist Izvestia (4/15): "The Rresident reiterated that he had no candidacy (to the premiership) other than Kiriyenko, (saying), 'You think that only people of a retirement age can run this country,' In Yeltsin's opinion, Russia needs young leaders. He backed that with a promise not to bid for a third term. Seleznev...had to admit, 'We need to approve him (Kiriyenko). The Duma's fate means a thousand times more to me than Kiriyenko's does."

"New Premier In Gaidar's Shoes"

Centrist Nezavisimaya Gazeta front-paged this analysis (4/15) by Tatyana Koshkareva and Rustam Narzikulov: "A new premier, be it Kiriyenko or somebody else, will get a monstrous economic inheritance.... Dire hopelessness will force him to use shock therapy, thereby cutting his tenure short. With the kamikaze premier gone, the political pendulum will swing back to conservatism bringing along somebody of the Chernomyrdin type."

GERMANY: "Duma's Assessment Is Correct"

Centrist Stuttgarter Zeitung opined (4/15): "The (Russian) parliament...says that the 35-year-old candidate is too young and inexperienced. As much nonsense as the Duma has voiced, it is correct in this assessment. Not even the candidate himself knows why the president wants him to be prime minister."

"Yeltsin's Young Man"

This was the view of centrist Sueddeutsche Zeitung of Munich's Josef Riedmiller (4/15): "That Kiriyenko is too young and inexperienced is a stupid argument of his adversaries.... Many older people describe 'experience' as those things

they did wrong for many years. The 'little computer,' as Kiriyenko is called because of his familiarity with technology, would have great opportunities to do good for Russia if he is elected.... Yeltsin dares to skip a generation, hoping that the very young will better understand Russia's situation than those who lived under the inertia of socialism for so long."

HUNGARY: "Czar Democracy"

Janos T. Barabas wrote this op-ed piece for influential Magyar Hirlap (4/15): "The problem with the acting prime minister Kiriyenko is that, instead of popularity, he needs the support of the Russian parliament....(but) the Russian parliament, a 'repository' of Russian democracy, is working to old political reflexes. This meant that Kiriyenko's appointment got vetoed in the first round because he was President Yeltsin's nominee. It is especially tragic that if the Russian Duma represents democracy, we have to favor Yeltsin's dictatum, since the Russian parliament is a tool for the kind of extreme political powers that we can't expect much good from at all."

CHINA: "Kiriyenko Likely To Survive Election"

Wang Xianju noted in official Guangming Daily (4/15): "Due to a series of measures adopted by President Yeltsin, Kiriyenko's approval rating is currently on the rise. Some Russian analysts think that if Kiriyenko is rejected during the second vote, negotiations before the third round will swing the decision. Should Kiriyenko's nomination receive narrow approval, the opposition will maintain that it was a forced decision.... Another view is that the opposition (including the Communists) are prepared for the dismissal and early election of the Duma because they are confident that they will still constitute the majority within the new cabinet."

EX-YUGOSLAVIA: 'REBELLION' IN MONTENEGRO; WHERE IS KARADZIC?

FRANCE: "Montenegro Enters Into Rebellion"

Isabelle Lasserre cautioned in right-of-center Le Figaro (4/15): "A new threat, coming from the south, has shaken up the fractured Balkan state. President Djukanovic of Montenegro has broken free of the policy of Yugoslav President Milosevic...criticizing him as an 'autocrat' who is taking the country 'to the bottom of the well.'... Because (Djukanovic) believes Milosevic's blind policies will end in Yugoslavia's ruin...he has suddenly entered into opposition."

GERMANY: "Feigned Disappearance"

In centrist General-Anzeiger of Bonn, Thomas Wittke commented (4/15): "Is Karadzic going to turn himself in at the War Crimes Tribunal or will he continue to hide in Pale?... Karadzic will only turn himself in if he sees no other chance to escape the international troops. He knows that he is facing a life sentence for all his bloody acts. And the War Crimes Tribunal will not allow him to negotiate the length and location of his sentence. Especially under these circumstances, it is important to keep up international pressure and even to increase it."

BREARD EXECUTION: 'IS U.S. VIOLATING HUMAN RIGHTS?'

FRANCE: "Is U.S. Violating Human Rights?"

Jean-Jacques Mevel filed from Washington in right-of-center Le Figaro (4/15): "Madeleine Albright wrote the governor of Virginia asking him to delay the execution because she feared the case would jeopardize the safety of Americans living abroad.... Behind the argument of reciprocity, a very embarrassing debate is shaping up for the superpower which considers human rights as a vehicle for its diplomacy."

ITALY: "A Split In Clinton Administration"

Washington correspondent Ennio Caretto wrote in centrist, top-circulation Corriere della Sera (4/15): "The Breard case has created a split within the Clinton Administration. While the Attorney General's Office claimed before the Supreme Court that the request of the Hague International Tribunal 'has no legal basis,' the State Department urged Virginia Governor Gilmore to accept such a request (for a stay of execution)."

SPAIN: "Albright Pleads in Vain"

Javier Valenzuela maintained in liberal El Pais (4/15): "Even the 'Iron Lady' of American diplomacy, Madeleine Albright, was ashamed yesterday when the country that postures as the world's policeman, but doesn't pay its...UN contributions, doesn't respect international law (i.e., the Vienna Convention) and turns a deaf ear to the decisions of a prestigious tribunal, the World Court at The Hague, did little to enhance its credibility in leading crusades against Saddam Hussein or in proclaiming its intention to detain Pol Pot [by insisting on executing Angel Francisco Breard].... The Spanish Consul in Miami, Miguel Diaz Pache, has also complained that police in Florida did not inform his mission of the detention of Joaquin Jose Martinez, who now resides on death row at Starke Penitentiary. Martinez told this newspaper last December that the police never advised him of his right to phone the consulate."

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ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

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SUBJECT: Early Report 4/15: SUMMIT OF THE AMERICAS

TO: Laura D. Schwartz (Laura D. Schwartz@eop [UNKNOWN])

READ:UNKNOWN

TEXT:

The press abroad spoke of "disappointment" and lowered expectations as President Clinton and 33 other Western Hemisphere leaders travel to Santiago de Chile for the Saturday opening of the second Summit of the Americas. Analysts judged that the U.S. Congress' failure to give Mr. Clinton fast-track authority had undermined the summit's main goal: launching negotiations to create a free-trade zone, the Free Trade Area of the Americas (FTAA), from Alaska to Tierra del Fuego. Buenos Aires's business-oriented El Cronista held that the congressional refusal "has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit," and Bridgetown's pro-government Nation lamented, "What started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been...derailed, by labor unions in the U.S. and their supporters on Capitol Hill." London's independent Financial Times issued a warning about what Congressional skittishness over free trade might be costing Washington. Canada, the daily noted, "has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America...in contrast to the U.S., which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fast-track.'"

Writers concluded that political and social themes would replace trade as

the centerpiece of the meeting. Observers in Santiago, Buenos Aires, Mexico and other capitals pointed out that the hemisphere leaders instead will discuss education, democracy, press freedom, drug trafficking, Cuba and political instability in Colombia and Paraguay. Center-right O Estado de Sao Paulo complained, as did others, that the hollowed-out summit "does not justify the attendance of 34 heads of state. The main theme of education could be treated equally by ministers." Nevertheless, this paper and counterparts elsewhere insisted that Latin America remains committed to strengthening trade ties with the U.S. "The Santiago summit has lost its importance;" O Estado stressed, adding, "The trade and financial relationship with Washington has not."

BRIEFS

- G-7 Meeting: 'Washington Will Put Pressure On Japan'
- Korea Talks: 'Pyongyang Taking A More Flexible Position'
- Russia: Will Kiriyenko Make It Through Round Two In Duma?
- Ex-Yugoslavia: 'Rebellion in Montenegro; Where Is Karadzic?'
- Breard Execution: 'Is U.S. Violating Human Rights?'

EDITORS: Mildred Sola Neely, Bill Richey and Kathleen J. Brahney

SUMMIT OF THE AMERICAS WILL LACK TRADE 'FIRE' ABSENT 'FAST TRACK'

CHILE: "A Summit Of Historic Importance"

Government-owned, editorially independent La Nacion (4/14) carried this comment: "One of the great challenges in the meeting will be to move forward towards economic integration through the signing of an agreement for...the Free Trade Association of the Americas, FTAA.... The objective is to reach an agreement for (a potential) market of over 750 million people which will facilitate interregional contacts in areas such as transportation, telecommunications, energy cooperation and investments.... The summit will also deal with the strengthening of democracy and human rights. There is consensus among American nations that it is necessary to have efficient and impartial legal institutions to reach those goals.... The summit has historic importance. As Foreign Minister Jose Miguel Insulza said, what it is all about is to prepare ourselves collectively to face the challenges of the new century and of the new millennium."

ARGENTINA: "Focus On Press Freedom"

Jorge Elias, Washington-based correspondent for daily-of-record La Nacion, said (4/15): "A few hours before leaving on Air Force One for Santiago, Chile, Bill Clinton's men keep on extolling the role of the press in strengthening regional democracy. And it will be the president of the United States, after his official, two-day visit to Chile starting tomorrow, who will speak about this subject over the weekend, in the second Summit of the Americas, according to what Clinton agreed on with other 33

presidents of the continent (all but Cuba) in the meetings held by his advisers since over one year ago....

"As a prelude to the summit, the Interamerican Commission of Human Rights of the Organization of American States (OAS), agreed to create the position of special reporter/relator, in order to analyze... (journalists') role at the national and continental level. The project, promoted by independent institutions, is supported by the United States. The idea was in Clinton's mind since the end of his visit to Bariloche last October.... The White House talks about the advantage of an independent officer... but the OAS does not seem to agree with that. The doubt is caused by the attitude to be adopted by countries used to blaming journalists for everything."

"Summit With A Changed Agenda"

Jorge Sosa opined in business-oriented *El Cronista* (4/14): "Without the glamour many had expected on this occasion, 34 presidents--among them Carlos Menem--will meet Friday in Santiago, Chile, in the framework of what will be the second Summit of the Americas. The disappointment which, at this point, looms over politicians and diplomats of several countries is explained by Bill Clinton's misfortune: the failure of the U.S. president to obtain Congressional approval for fast track trade authority.... This has diminished the goal of kicking off FTAA negotiations...the key issue which had been set for this summit.

"The fact that Clinton lands in Chile empty-handed forced the subsequent change in topics. This is why the political--no less complicated--issues

began to top the agendas. Even though, formally, 'education' was selected as the 'key issue' of the discussions which will take place at the Sheraton Hotel, El Cronista found out that the changing relationship with Fidel Castro's regime, which could imply a greater openness towards the island, and the delicate political situation in Paraguay and Colombia, will at least be part of the informal conversations among heads of state. On the other hand, they will propose the creation of an alliance to fight drug-trafficking. Like in the first Summit of the Americas in Miami, in 1994, Cuba will be the only country without any representation.... Will FTAA negotiations advance without any reference to the island? Will Washington propose a new focus, at least a minor one, regarding the political and commercial relationship with Castro's government? These are some of the

questions which have been clouding the minds of the members of several delegations since last week."

BARBADOS: "Summit Will Lack Fire Because Clinton Lacks Fast Tack"

The pro-government Nation's North American editor commented (4/13) on the upcoming Santiago Summit, saying that, because Clinton lacks fast track authority, "the negotiating process wouldn't have the fire that's needed to pull it off. That's not to suggest that education isn't important. But what started as a sincere and interesting effort to mold the Western Hemisphere into a single trading bloc...has been undermined, if not derailed, by labor unions in the United States and their supporters on Capitol Hill who fear a loss of more U.S. jobs to Latin America and

Caribbean countries if a trade pact becomes a reality.

"The decision to highlight education at the summit would have been hailed if the United States, for example, was going to put some new resources into the Caribbean and Latin America to help the countries expand their school systems to meet the needs of an increasingly technological world. With no additional funds, hemisphere nations will be hard-pressed to implement many of the programs which the leaders plan to agree on. Small wonder that some of the leaders are saying privately that a postponement of the summit would have been a good idea."

BRAZIL: "An Empty Summit"

Center-right O Estado de Sao Paulo held (4/14) that "the summit in Miami was held without any previously defined agenda. The FTAA idea surged as a last minute resource to avoid the failure of the summit convoked by the U.S. president. Brazil and its partners in Mercosul will not support a new trade treaty...that gives obvious advantage to the United States in the trade relationship. The U.S. Congress denied President Clinton fast track authority, which makes negotiation of a trade treaty impracticable. Once again, the U.S. government is dealing with an agenda (this time) in Santiago, that does not justify the attendance of 34 heads of state. The main theme of education could be treated equally by the ministers. Last Friday, O Estado published an article by Secretary Madeleine Albright, which clearly shows that FTAA had its importance reduced among U.S. foreign policy priorities. However, it is necessary to make a distinction between the lowering of the FTAA as a priority and the importance that the

hemisphere, especially Brazil, has for U.S. foreign trade. The FTAA lost its momentum because President Clinton was not able to convince the U.S. Congress of the advantages of a new and ample commercial regional accord. The U.S. Congress has revealed strong protectionist and isolationist tendencies, a situation that many countries in the hemisphere prefer not to face. But trade with the countries in the area continues to be of great importance to the United States...and it is more important than the formality of the FTAA's creation. The Santiago summit has lost its importance; the trade and financial relationship with Washington, has not."

MEXICO: "Narcotics A Priority Issue"

Largely news coverage in Mexico included independent Reforma's headline treatment (4/14): "Zedillo begins trip to South America; 34 heads of state seek cooperation....Accords on extradition and petroleum expected...Narcotics trafficking a priority issue." Sidebar noted "Themes of President Zedillo's trip," which include: "Creating a free trade area of the hemisphere; Falling oil prices; Signing extradition treaties; Hemispheric cooperation to counter trafficking in illegal drugs and arms; Helms-Burton law; Preserving and strengthening democracy and human rights; Economic integration and free trade; Eradicating poverty."

CANADA: "Free Trade Comes At A Price"

Stephen Handelman wrote in the liberal Toronto Star (4/14): "The relationship between trade and other issues like crime and democracy is not often easily understood. In a simpler world, the market is all that counts. But as leaders of the hemisphere prepare to meet Saturday in Santiago, Chile, to discuss a landmark free trade agreement, these other issues are going to become crucial.... The leaders are expected to create a multilateral counter-narcotics alliance.... Also on tap are hemispheric judicial studies center...a new special office to investigate abuses against the press....education reform, urban development and small business.... But we may also have to be willing to pay a higher price, such as in lowering barriers to the mobility of the labor force and foreign investment, or even in more foreign aid. Free trade, in other words, can't be the end of the process. Or we may find that we've all been sold a lemon."

BRITAIN: "Canada Ahead Of The Pack In Latin America"

In the view of the independent Financial Times from Buenos Aires (4/15): "When 34 leaders from north and south America gather in Santiago this weekend to negotiate the Free Trade Area of the Americas (FTAA), Canada may find itself well ahead at the bargaining table. The hemisphere's northernmost member has pursued an aggressive policy to boost investment and strengthen its trade ties with Latin America.... This is in contrast to the United States, which is perceived to have lost influence over Latin trade policies since Congress denied President Clinton 'fast-track' trade negotiating authority late last year.... It is an important head start for

Canada and is a position Canada has often used to its benefit, encouraging new trade partners to work together as a counterweight to American influence in the hemisphere."

CHINA: "Will Summit Be In Interest Of All Peoples In Americas?"

The official, English-language China Daily's Ge Mini observed (4/15), "Not everyone is confident that the summit will benefit the interests of the people in both the North and South Americas. The first summit had aspired to establish an Americas Free Trade Zone by 2005, but protectionist forces have been stirring, and it now looks unlikely that the target will be met."

SOUTH KOREA: "Will Clinton Bring About Constructive Results?"

Conservative Segye Ilbo (4/15) commented, "Now out of the woods with regard to his sex scandals, and after a successful visit to Africa, President Clinton now embarks on a 'global village tour,' starting with the summit of the Americas in Chile.... The summit will discuss setting up an Americas-wide free trade zone. Whether the president will be able to bring about constructive results at the meeting remains to be seen, as he is deprived of 'fast-track authority.'"

BRIEFS

G-7 MEETING: 'WASHINGTON WILL PUT PRESSURE ON JAPAN'

JAPAN: "Lessons Of Crisis Should Be Evident At Finance Meetings"

Top-circulation, moderate Yomiuri's editorial said (4/15): "We hope that participants in the meetings will agree that East Asia needs a broad-based support package to end the crises and restore economic stability...."

Prime Minister Hashimoto needs to explain to other nations that he is serious about stimulating the weak economy by boosting domestic demand and reducing trade surpluses through his new stimulus package. Japan must also urge the United States and other key nations to cooperate in correcting the weak yen and the strong dollar, a factor contributing Japan's growing trade surplus. Another important issue for the participants to take

up at the meetings is a study of the how the current crisis developed so that it never happens again.... Several Asian nations have become critical of the IMF's failure to predict that such an economic crisis could hit the region. These nations also claim that the world monetary organization aggravated the crisis by forcing them to accept prescriptions that did not reflect the conditions facing them. The IMF should take this criticism to heart the next time it considers what sort of 'rescue package' is appropriate for any given nation or region."

BRITAIN: "U.S. Tells G-7 To Lean On Japan"

The liberal Guardian commented from Washington (4/15): "The Americans believe that placing Japan back on the right track will be an essential component for repairing the global economic architecture.... Both the United States and the IMF fear that the Japanese authorities will not act

fast enough to pull Japan back from recession. A slowdown in Japan at a time when the global economy is already weakening as a result of the East Asian crisis, could push the international economy into stagnation."

FRANCE: "Japanese Government More Irritated Than It Says"

Left-of-center Liberation, in comment from Tokyo, judged (4/15): "On the even of the G-7 meeting, the finance minister denies pessimistic forecasts.... The Japanese government is probably more irritated than it says by the critics from its main commercial partners and affiliated organizations."

"Washington Will Put Pressure On Japan"

Jean-Louis Santini commented in wire service AFP (4/15): "At the G-7 meeting in Washington on Wednesday, the United States will put pressure on Japan to implement lasting measures to restart the economy to make sure that the second world economy avoids a recession.... At a press conference in Washington, Robert Rubin said the measures recently announced by the Japanese prime minister were very significant. He immediately added that he wanted to see the details of the program."

GERMANY: "IMF Global Fireman"

Centrist Der Tagesspiegel of Berlin told its readers (4/15): "The IMF may manage its task of serving as global fireman and extinguish the world's fires at the last minute. But it should do more than this. The financial

crises and turbulence must not only be managed, they must be prevented.

The early warning system, installed after the Mexico crisis, obviously does not work. Acceptance of IMF decisions also needs to be maintained.

That is only possible if the financial donors back the IMF without any preconditions and if they support and not dismantle the IMF."

KOREA TALKS: 'PYONGYANG TAKING MORE FLEXIBLE POSITION'

AUSTRALIA: "Now Is Time For Rapprochement"

The liberal Canberra Times' editorial said (4/15): "Linking aid to family reunions and the swapping of envoys is more like trying to buy friendship. The question is whether friendship can be bought.... But if the time when reunification stops being a child's picture-book fantasy is still far away, the time for some degree of rapprochement is near. The question for the two Koreas is whether genuine rapprochement can be traded like grain."

GERMANY: "Playing For Time Is Macabre"

In left-of-center Die Tageszeitung of Berlin (4/15), Sven Hansen noted:

"Both sides need a

success in the negotiations. The North can hardly survive without help from outside.... The South is in severe economic recession.... Instead of wishing for the collapse of the North, the South now hopes for stabilization and detente on the Korean peninsula.... The great interest of both sides to negotiate, with their unwillingness to compromise, make

this such a difficult situation. In light of the starvation in the North and the millions of people who have not seen their relatives in decades, playing for time is macabre."

"Korea's Communism Is Falling Apart"

In centrist General-Anzeiger of Bonn, Peter Seidlitz commented (4/15):

"The regime in Pyongyang is finished.... On the surface, the Korean dialogue is about bringing families together, food and economic assistance, political reconciliation and a non-aggression pact. In reality, South Korean politicians are already thinking about how they can deal with reunification."

BELGIUM: "Pyongyang Taking More Flexible Position"

Asian affairs writer Freddy De Pauw had this assessment in independent Catholic De Standaard (4/15): "In the recent twelve months, Pyongyang has added water to its wine. The four-party consultation between North and South Korea, the United States and China has not yielded any results yet, but the fact that it could be started last year shows that Pyongyang is taking a more flexible position. That relative flexibility is a result not only of the pressure of the famine, but also from neighboring China.... Beijing wants nothing more than calm in the nearby peninsula because the permanent threat of war is bad for China's economic expansion plans. Moreover, Pyongyang...wants to follow the Chinese example.... South Korean President Kim Dae Jung shows more understanding for the situation of the North Koreans than his predecessors. However, Kim Dae Jung is very

prudent because he has to on his guard against his opponents who always depict him as a friend of the communists."

RUSSIA: WILL KIRIYENKO MAKE IT THROUGH ROUND TWO IN DUMA?

RUSSIA: "Russia Needs Young Leaders"

Vera Kuznetsova, reporting on yesterday's meeting between President Boris Yeltsin and the Duma's Speaker Gennady Seleznev, wrote on page one of reformist Izvestia (4/15): "The Rresident reiterated that he had no candidacy (to the premiership) other than Kiriyenko, (saying), 'You think that only people of a retirement age can run this country,' In Yeltsin's opinion, Russia needs young leaders. He backed that with a promise not to bid for a third term. Seleznev...had to admit, 'We need to approve him (Kiriyenko). The Duma's fate means a thousand times more to me than Kiriyenko's does."

"New Premier In Gaidar's Shoes"

Centrist Nezavisimaya Gazeta front-paged this analysis (4/15) by Tatyana Koshkareva and Rustam Narzikulov: "A new premier, be it Kiriyenko or somebody else, will get a monstrous economic inheritance.... Dire hopelessness will force him to use shock therapy, thereby cutting his tenure short. With the kamikaze premier gone, the political pendulum will swing back to conservatism bringing along somebody of the Chernomyrdin type."

GERMANY: "Duma's Assessment Is Correct"

Centrist Stuttgarter Zeitung opined (4/15): "The (Russian) parliament...says that the 35-year-old candidate is too young and inexperienced. As much nonsense as the Duma has voiced, it is correct in this assessment. Not even the candidate himself knows why the president wants him to be prime minister."

"Yeltsin's Young Man"

This was the view of centrist Sueddeutsche Zeitung of Munich's Josef Riedmiller (4/15): "That Kiriyenko is too young and inexperienced is a stupid argument of his adversaries.... Many older people describe 'experience' as those things they did wrong for many years. The 'little computer,' as Kiriyenko is called because of his familiarity with technology, would have great opportunities to do good for Russia if he is elected.... Yeltsin dares to skip a generation, hoping that the very young will better understand Russia's situation than those who lived under the inertia of socialism for so long."

HUNGARY: "Czar Democracy"

Janos T. Barabas wrote this op-ed piece for influential Magyar Hirlap (4/15): "The problem with the acting prime minister Kiriyenko is that, instead of popularity, he needs the support of the Russian parliament....(but) the Russian parliament, a 'repository' of Russian democracy, is working to old political reflexes. This meant that Kiriyenko's appointment got vetoed in the first round because he was

President Yeltsin's nominee. It is especially tragic that if the Russian Duma represents democracy, we have to favor Yeltsin's dictatum, since the Russian parliament is a tool for the kind of extreme political powers that we can't expect much good from at all. "

CHINA: "Kiriyenko Likely To Survive Election"

Wang Xianju noted in official Guangming Daily (4/15): "Due to a series of measures adopted by President Yeltsin, Kiriyenko's approval rating is currently on the rise. Some Russian analysts think that if Kiriyenko is rejected during the second vote, negotiations before the third round will swing the decision. Should Kiriyenko's nomination receive narrow approval, the opposition will maintain that it was a forced decision.... Another view is that the opposition (including the Communists) are prepared for the dismissal and early election of the Duma because they are confident that they will still constitute the majority within the new cabinet."

EX-YUGOSLAVIA: 'REBELLION' IN MONTENEGRO; WHERE IS KARADZIC?

FRANCE: "Montenegro Enters Into Rebellion"

Isabelle Lasserre cautioned in right-of-center Le Figaro (4/15): "A new threat, coming from the south, has shaken up the fractured Balkan state. President Djukanovic of Montenegro has broken free of the policy of Yugoslav President Milosevic...criticizing him as an 'autocrat' who is taking the country 'to the bottom of the well.'... Because (Djukanovic) believes Milosevic's blind policies will end in Yugoslavia's ruin...he has suddenly entered into opposition."

GERMANY: "Feigned Disappearance"

In centrist General-Anzeiger of Bonn, Thomas Wittke commented (4/15): "Is Karadzic going to turn himself in at the War Crimes Tribunal or will he continue to hide in Pale?... Karadzic will only turn himself in if he sees no other chance to escape the international troops. He knows that he is facing a life sentence for all his bloody acts. And the War Crimes Tribunal will not allow him to negotiate the length and location of his sentence. Especially under these circumstances, it is important to keep up international pressure and even to increase it."

BREARD EXECUTION: 'IS U.S. VIOLATING HUMAN RIGHTS?'

FRANCE: "Is U.S. Violating Human Rights?"

Jean-Jacques Mevel filed from Washington in right-of-center Le Figaro (4/15): "Madeleine Albright wrote the governor of Virginia asking him to delay the execution because she feared the case would jeopardize the safety of Americans living abroad.... Behind the argument of reciprocity, a very

embarrassing debate is shaping up for the superpower which considers human rights as a vehicle for its diplomacy."

ITALY: "A Split In Clinton Administration"

Washington correspondent Ennio Caretto wrote in centrist, top-circulation *Corriere della Sera* (4/15): "The Breard case has created a split within the Clinton Administration. While the Attorney General's Office claimed before the Supreme Court that the request of the Hague International Tribunal 'has no legal basis,' the State Department urged Virginia Governor Gilmore to accept such a request (for a stay of execution)."

SPAIN: "Albright Pleads in Vain"

Javier Valenzuela maintained in liberal *El Pais* (4/15): "Even the 'Iron Lady' of American diplomacy, Madeleine Albright, was ashamed yesterday when the country that postures as the world's policeman, but doesn't pay its...UN contributions, doesn't respect international law (i.e., the Vienna Convention) and turns a deaf ear to the decisions of a prestigious tribunal, the World Court at The Hague, did little to enhance its credibility in leading crusades against Saddam Hussein or in proclaiming its intention to detain Pol Pot [by insisting on executing Angel Francisco Breard].... The Spanish Consul in Miami, Miguel Diaz Pache, has also complained that police in Florida did not inform his mission of the detention of Joaquin Jose Martinez, who now resides on death row at Starke Penitentiary. Martinez told this newspaper last December that the police never advised him of his right to phone the consulate."

##===== ATTACHMENT 1 =====

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15 Apr 1998 07:53:52 EDT

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with ESMTP id <01IVW3048NVK004CQ2@PMDF.EOP.GOV> for schwartz_l@a1.eop.gov;
Wed, 15 Apr 1998 07:53:43 -0400 (EDT)

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Wed, 15 Apr 1998 07:53:06 -0400 (EDT)

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ARMS Email SystemRECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: anderson (anderson@chip.mic.cl@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:21-APR-1998 09:33:00.00

SUBJECT: CHIP News for April 21, 1998

TO: Steven J. Ronnel (Steven J. Ronnel@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
April 21, 1998

*

HEADLINE: POLICE CLOSE IN ON SCHAEFER

Officers Explore Tunnel Where They Believe German Colony
Leader Is Hiding

KEYWORDS: JUSTICE; POLITICS; HUMAN RIGHTS

SOURCE: LA TERCERA

SOURCE: EL MERCURIO

TEXT: Carabineros Police are stepping up their search for fugitive
Villa Baviera leader Paul Schaefer as the clock runs down on their
court order to occupy the grounds of the former Colonia Dignidad.

Schaefer is wanted on multiple counts of child molestation
and tax evasion, and several colonists are charged with aiding and
abetting him. Over the last three decades, many residents of the
German colony near the southern town of Parral have escaped and
later told horror stories of physical abuse and a suffocating
lifestyle. The Rettig Report on human rights abuses during the
military government concluded that the DINA secret police used
the colony as a detention and torture center.

Police have been occupying Villa Baviera grounds for nearly
a month, under a court order from Special Prosecutor Hernan

Gonzalez. The court order expires Wednesday, putting pressure on law enforcement agents to find Schaefer now. If the final search efforts yield further evidence but not Schaefer himself, the court order could be extended.

Frei administration officials such as Undersecretary of the Interior Belisario Velasco, as well as police, have long insisted that Schaefer is hiding in secret tunnels within the colony. Dr. Hartmut Hopp, the colony's second in command, has continually denied that any such tunnels exist.

Police this weekend scanned the grounds with radar and discovered in an alfalfa field what they believed to be two interconnected, 20 x 15 meter, underground bunkers. Supposing Schaefer could be hiding there, on Monday they brought in a backhoe to dig up the area. Carabineros Major Pedro Caballero announced yesterday that the operation turned up only rocks instead of bunkers, but that police have identified other areas to search.

Also Monday, Investigations Police in Santiago searched a house in the community of Nunoa which belongs to the colony, but turned up no evidence.

In related news, the Supreme Court on Monday delayed ruling on a writ of protection filed by the residents of Villa Baviera, who say the occupying police have been violating their rights.

A Parral court also released without charges three people arrested on suspicion of firing weapons at a police bus as it headed to Villa Baviera on Sunday. Carabineros said the shooting,

which caused no injuries, was a cowardly and fruitless attempt to threaten the officers who are occupying the colony.

Today or tomorrow the Talca Court of Appeals will rule on a request for bail for seven colony leaders charged with aiding and abetting Schaefer. Police arrested six of these Friday, and another turned himself in.

*

HEADLINE: CURRENT EVENTS BRIEFS

KEYWORDS: POLITICS; ECONOMY; INTERNATIONAL; ENVIRONMENT

SOURCE: EL MERCURIO

SOURCE: LA TERCERA

TEXT: Today's other headline stories in brief:

-- JUDGE INTERROGATES CONTRERAS. The special prosecutor investigating five criminal complaints against former military president Augusto Pinochet on Monday interrogated former DINA secret police chief Manuel Contreras.

Judge Juan Guzman questioned retired General Contreras in Punta Peuco prison, where the general is serving a seven-year sentence for planning the murder of Salvador Allende's former Foreign Relations Minister Orlando Letelier. Letelier was assassinated by car bomb in Washington, D.C., in 1976.

Contreras is also a suspect in at least some of the five criminal cases filed against Pinochet for human rights abuses committed by his regime, from 1973-1990.

The most recent of the lawsuits was filed last Friday by the Teachers' Union. The union filed a case with the Santiago Court of Appeals charging the general - and any accomplices - with

kidnapping, multiple homicides and illegal burials, in the case of 103 teachers detained and disappeared during his rule.

In related news, Contreras' attorney Humberto Neumann said he is anxiously awaiting the results of his client's latest request for early parole.

-- 33 MAPUCHES EVICTED OFF FOREST LAND. Chilean police evicted 33 Mapuche indigenous people from the Pidenco forestry property and arrested them on Monday, in a sign that three-way tensions between local government officials, forestry companies and the Mapuche are worsening.

The 33 Mapuche, including seven children, had occupied the 148 kilometer tract of land for 8 days. They claim the land belongs to them and that the National Indigenous People Council (Conadi) should buy it for them. Conadi has tried to negotiate with the forestry companies, who say they refuse to sit down with the Mapuche for negotiations until the land occupations end. Some forestry companies announced last week they would evict the Mapuche from the land themselves, prompting a warning from Interior Undersecretary Belisario Velasco this weekend that, "No group can take justice into its own hands." The government said instead they would use local police forces to evict Mapuche protesters.

Police forces took the 33 indigenous people to the Traiguen Criminal Court near Lumaco. Bosques Arauco, the forestry company that logs Pidenco, has asked that charges of illegal occupation and trespassing be brought against the Mapuches.

The forest area around Lumaco, north-west of Temuco, has

been the site of Mapuche protest activity since last year.

Mapuches burned out a logging truck near the Pidenco property in December.

In related news, a group of Mapuche occupying the Santa Roe de Colpi forest, owned by Mininco, peacefully ended their takeover yesterday. Now there are only two large Mapuche occupations continuing in the south, at El Litre and Panguenco.

-- NAZIS FORMALIZE MEETING IN CHILE. The Organizing Committee of the First Summit of International Nation-Socialist Ideology formally announced Sunday its plans to hold a world-wide meeting of Nazi groups in Chile in the year 2000.

"We do not feel responsible for any crime committed by individuals or governments acting under our philosophy," said organizer Alexis Lopez. "We are meeting in the name of all people who are proud of their heritage." He also said he thought the Nazi summit would be a good way to carry over that ideology into the next century.

A number of Jewish groups and political groups denounced the official summit announcement. Jewish groups have asked President Frei to ban the Nazi meeting from Chilean soil. Political groups, like the youth party of the Christian Democrat Party (PDC) and the Party for Democracy (PPD), have also tried to influence the government to crack down on Nazi activity in Chile.

Patricio Walker, president of the Young Christian Democrats (JDC), said the planned Nazi meeting is "tragicomic, but very dangerous." Lopez responded by saying the meeting is no more tragicomic than the current state of the PDC. The PDC has been

divided in recent weeks over the failed constitutional accusation against former Army Commander-in-Chief Augusto Pinochet.

-- ENVIRONMENTAL ALERT TODAY AND TOMORROW.

Government authorities announced yesterday an environmental alert in the Metropolitan Region for Tuesday and Wednesday because of poor air quality.

Air contamination levels in the communities of Pudahuel, Cerrillos and La Florida topped 200, which is considered dangerous on the Metropolitan Environmental Health's (Sesma) ICAP rating. Indices in areas like Providencia and Independencia, in the city's center, varied between "good" and "regular".

The environmental alert will last through Wednesday, although authorities said they would reconsider the measure for Wednesday on Tuesday night. Rain, which tends to clean the air in Santiago, began falling in Santiago on Monday night.

The environmental alert means that traffic will be restricted in the city center. Cars without catalytic converters whose license plates in 3,6,8 and 9 cannot be driven on Tuesday, while those that end in 4,5,2, and 0 will be restricted Wednesday.

This is the fourth environmental alert or emergency of the year thus far.

-- RIOS TO LOSE NUMBER ONE RANKING. Chile's Marcelo "Chino" Rios, the No.1 ranked tennis player in the world, announced over the weekend that tendonitis in his left arm will cause him to miss this week's Montecarlo tournament and lose his top spot in the rankings.

Rios is the first Latin American ever to hold tennis' top spot.

He received that distinction four weeks ago by beating Andre Agassi at the Lipton Cup in Key Biscayne, Florida. When he loses the top spot this week, he will join a number of tennis greats - like John McEnroe, Boris Becker and Bjorn Borg - who spent less than a month as number one at different points in their careers.

Austria's Thomas Muster was No. 1 for just a week in 1996.

Rios will definitely be topped by Pete Sampras and Petr Korda this week at Montecarlo and could also be surpassed by Patrick Rafter or Greg Rudeski. Depending on the tournament results, he could fall as low as No.6.

Rios is recuperating this week in Florida with his coach Nick Bolletieri. He announced that he plans on returning in two weeks for the Hamburg Open. He then plans on playing the Campionati Internazionali d'Italia in Rome and some tournaments in Germany on clay courts to prepare for the upcoming French Open in Paris.

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HEADLINE: REGIONAL POLITICS DELAY MINING TREATY

Chile Says "No" Unless Agreement Is Reached On Southern Land Dispute

KEYWORDS: MINING

SOURCE: CHIP NEWS

SOURCE: EL MERCURIO

TEXT: (The following story was written by CHIP News staff writer Jon Gelb).

Congressional approval of the landmark Cross Border Mining Integration Treaty between Argentina and Chile is being delayed because of diplomatic maneuvering on other bilateral issues

between the two South American nations.

The mining treaty, signed in December 1997, would open up the mineral-rich Andean border area between Argentina and Chile and streamline customs duties on investment in the area. It would also facilitate the transport of workers and cargo between the two countries. Argentina will gain access to Chile's developed mining sector and its Pacific ports, while Chile will have the first shot at Argentina's nascent mining market and copper-rich projects laying just over the Chilean border in the rugged Argentine mountains. Around 30 projects, including Cambior's El Pachon and Barrick's Pascua-Lama, will go forward under the treaty, generating some US\$6 billion in investment. The treaty is awaiting congressional approval in both countries.

But Chile's Foreign Affairs Minister Jose Miguel Insulza announced last week that Chile would not send the mining treaty to Congress for approval until both countries approve an older treaty regulating the southern border area known as the Campos de Hielo.

Chile and Argentina almost went to war in the 1970s over the vast Campos de Hielo area, in the frigid icefields of Patagonia. An accord in 1991 brought the two countries to the brink of a peaceful solution, but it has yet to be approved by the countries' Congresses.

"The Argentine Congress thinks Chile will reject the Campos de Hielo treaty, so the Menem government does not want to even try to submit it for approval," Emilio Meneses, professor of Chilean foreign relations at the Universidad Catolica, told CHIP News. "I

think this will continue going on for at least a year."

Meneses said Chilean leaders are reconsidering the Campos de Hielo deal because they agreed to it hurriedly, using Argentine geographical information and maps. He said he did not think the Campos de Hielo treaty would pass the Chilean Senate right now.

Chilean President Eduardo Frei and Argentine President Carlos Menem agreed at last weekend's Summit of the Americas to appoint a special representative to the Permanent Conciliation Commission, a joint organization dealing with diplomatic conflicts between the two nations, to settle the Campos de Hielo dispute. They would not release the name of the new appointee. They vowed that they would do their best to speed up passage of the Campos de Hielo, but the process could last much longer than the mining community on both sides of the border wants.

"Chile and Argentina are losing out on a lot of mining projects right now because of this delay," Christian Letelier, a lawyer for Chile's National Mining Society (Sonami) told CHIP News. Sonami is leading the lobby effort in Congress to pass the mining treaty. Meneses said Argentine miners are also lobbying their government for passage of the mining accord.

Richard LeClerc, Director of Latin American Exploration for Cambior, which owns El Pachon, told CHIP News "we are disappointed about the delay. Approval of the mining treaty would really guarantee the feasibility of El Pachon in the minds of our shareholders and legitimate it in many ways."

El Pachon already has a special Border Mining Protocol which allows it the same benefits that the Mining Integration

Treaty will eventually provide. The project site is located right over the Chilean border in Argentina. Company officials say they have postponed plans for developing the copper mine because of low copper prices, and are readying the project to begin when market conditions improve. The mountainous mine, located 3,700 meters above sea level, is slated to produce at least 60,000 mtpy.

"I do not think it is a good idea for the government to link the mining treaty with the Campos de Hielo treaty," LeClerc said. "They are different issues, especially considering that the Campos de Hielo is such a sensitive subject here and has such a long history."

While LeClerc and other agree the mining treaty should pass Congress easily, Meneses said Chilean Congressmen are increasingly wary of approving the mining accord because they think it favors Argentina too much. Meneses himself felt that Chile has less to gain from the mining treaty with Argentina because Chile's mining sector is already well developed. He said the Chilean government is not willing to give any advantages away to long-time rival Argentina.

LeClerc responded by saying he thought the mining treaty "is beneficial for both countries."

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HEADLINE: BUSINESS BRIEFS

KEYWORDS: ECONOMY; INTERNATIONAL; NAFTA

SOURCE: EL MERCURIO

SOURCE: EL DIARIO

TEXT: Today's top business stories:

-- BILL TO COMPENSATE PENSION READJUSTMENT. The government yesterday sent an urgent bill to Congress proposing a stricter control over company profits, in order to reduce tax evasion and thereby provide an additional US\$280 million for pensions. The bill includes the following measures: equal tax treatment of all company profits, a correction in the arrangement of profit reinvestment, and higher taxes on company-owned vehicles.

Authorities who designed this bill, including Finance Minister Eduardo Aninat, estimate that better control over tax evasion will generate US\$160 million and the elimination of part of Article 57 will generate an additional US\$120 million. This US\$280 million will cover almost all of the cost of pension adjustments, estimated at US\$300 million. These funds will be used to raise the pensions of 350,000 people by 34 percent, raise minimum pensions by 14.5 percent starting next January, and raise all additional pensions by 6.5 percent by the year 2000.

-- CHILEAN PRIVATE SECTOR PROFITS FALL. Analysts expect a sharp fall in profits for most Chilean companies in the first quarter of the year, compared to figures from the same period last year. The fall has been principally blamed on monetary readjustment as many companies hold a large part of their liabilities in dollars, and the exchange rate has risen considerably over the last year.

Bice brokers predict company profits will fall 34% in real terms, particularly affecting electric companies Endesa, Edelnor, Chilgener and Pehuenche.

-- WORLD BANK APOLOGIZES FOR RALCO. World Bank

President James D. Wolfensohn apologized this weekend for the bank's alleged participation in the Ralco hydroelectric project in southern Chile, which will displace as many as 96 indigenous Mapuche families from their homes on the upper Bio Bio River. Wolfensohn was visiting Chile for the Summit of the Americas.

Ralco is power company Endesa's much larger follow-up to the Pangué dam, which the International Finance Corporation (IFC), the credit arm of the World Bank, helped fund. The National Environmental Commission (Conama) has approved the US\$463 million, 581 MW hydroelectric power station, but the National Indigenous Development Association (Conadi), the government agency charged with defending the interests of native Chileans, must approve it before it can go forward.

World Bank officials praised Chile for pioneering economic structural reforms in the region and for its dynamic social development strategy. Head economist Guillermo Perry said Chile is the region's most successful case of development in the last 12 years, due to its sustained growth rate and reduction in poverty. Nonetheless, the bank expressed some reservations about Chile's environmental progress.

Wolfensohn said Ralco "was not one of the high points in the bank's experience."

Endesa responded Monday that Wolfensohn's comments were regrettable, and furthermore inaccurate - the IFC funded only Pangué, not Ralco. The company said it fulfilled all the IFC's social and environmental conditions for Pangué, and that Ralco is

within Chilean norms.

Wolfensohn also said Sunday that the World Bank has changed its focus on Latin America to pay greater attention to the poor and disadvantaged, given that inequalities persist despite the region's economic progress. He expressed particular concern about the rich-poor gap, and called for more multilateral cooperation to confront it. He said the bank has also made more funds available for education, a leading agenda item at the summit. Last week, before the summit, Chilean Foreign Relations Minister Jose Miguel Insulza said the bank would provide some US\$20 billion to Latin America for education.

-- CAR SALES UP. Chile's National Automobile Association (ANAC) yesterday reported that 38,737 vehicles were sold in the first quarter of 1998, a 1.1 percent increase in sales over the same period in 1997. ANAC says this low growth is a result of the expected poor behavior of Chile's economy due to the Asian economic crisis. Growth should drop even further in the second half of the year, meaning that there will be no overall growth in automobile sales at the end of 1998.

Chevrolet held the largest share in the new automobile and light commercial vehicle market with 18 percent (7,246 units), surpassing by six points the company's market share in 1997. Chevrolet executives explain this jump by the unification of the Chevy and Opel car brands. This means that Opel cars are still sold in Chile, but under the brand name Chevrolet. The Corsa family car held fifth place in the market during the first quarter, while the Luv pickup truck maintained first place in its category,

with sales of 3,066 units.

The Korean brand Hyundai took second place in the market in this same period, with sales of 4,291 units and a market share of 13.1 percent. Suzuki beat out Nissan with a share of 9.3 percent, selling 1,117 units.

-- CANNED PEACH ISSUE UNSETTLES CHILEAN PRODUCERS.

Even though Chile's canned peach export trade has been slowly growing over the past two decades, producers in Chile say unfair competition from Greece and other EU producers has limited their horizons and may eventually drive them out of business.

Chile, having excellent growing and climate conditions, currently exports only about five percent of the canned peaches that are traded in world markets, or US\$30 million of an estimated US\$550 million in sales.

"We can handle honest competition and the subsidies as originally conceived for the EU canned peach producers," says Alan Wilson, export director for Conserverias Pentzke, one of Chile's oldest and most important canned peach export firms. "But what we have now is a system ... which allows the EU processors, especially the Greeks, to sell their product at prices that are below the cost of production. The lack of control and inspections, as described in the Diario Oficial de las Comunidades Europeas of 1996, is one of the main reasons for the fraud in peaches, as well as other canned products such as tomatoes from Italy."

Chile's peach processors say Greece's unfair practices have already shut them out of the U.S. and Canadian markets, and may drive them from their Latin American neighbors, where by all

logic Chile's producers should have a strong competitive advantage.

Wilson believes a complicated system which has Greek producers double-dipping in state subsidies and processors doing the same, allows them to achieve fresh prices for fresh peaches far below the world average of US\$200 per ton. The EU's Diario Oficial publication shows that Greece throws away more than half of the 804 mt of peaches it allegedly produces each year. All other EU nations dispose of only about 10 percent of their production in this fashion, Wilson says.

-- NEW SHOPPING MALL FOR LA FLORIDA. Inmobiliaria Las Verbenas is expected to announce in the coming weeks plans to build a new shopping mall for the Santiago municipality of La Florida. The mall will set up in competition with Plaza Vespucio and will open its doors in 2000.

The mall was to be built in phases, with the first being the installation of a Jumbo supermarket and an Easy Homecenter, but the mall is now going to be completed in one phase only. The builders have 60 days to produce the new cost figures, after which the company will make a decision. Construction could then commence in August.

-- METROCOM SEARCHES FOR ALLIANCE. Metrogas General Manager Juan Claro yesterday said the company's administration is studying various development options for its telecommunications affiliate Metrocom, which will include the incorporation of new partners. One development option is to transform Metrocom into an infrastructure provider for all

telecommunications companies in Chile, and another is to transform Metrocom into a transmitter. Claro said Metrocom is in conversations with various national and foreign companies, and expects the company will decide its development path in the next three months.

-- COMMISSION TO REVIEW TOMATO RESTRICTIONS. U.S. and Chilean officials will meet next week in Washington, D.C. to discuss permitting entry of Chilean fresh tomatoes to the U.S. market.

Chilean Agriculture Minister Carlos Mladinic said the meeting will be the first of a newly formed bi-national Agriculture Committee, formed only last December, tasked with finding solution to agricultural problems existing between the two countries.

U.S. officials are believed to be well advanced working out the matter, with an entry date expected to result from the meeting.

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-- BASIC ECONOMIC INDICATORS :

Dollar's value: Observed, 452.94; Accord, 471.60

Interbank, 452.80

Today's Unidad de Fomento, UF: \$14,222.41

Copper ===== ATTACHMENT 1 =====
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