Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Mona K. Sutphen to Paul K. Engskov at 10:51:18.00. Subject: Re: [none] (3 pages)	01/28/2000	Personal Misfile
002. email	Lucie-Anne_Radimsky to Paul K. Engskov at 15:14:42.00. Subject: G7 info. (6 pages)	02/01/2000	Personal Misfile
003. email	Paul K Engskov to Lucie-Anne at 14:47:05.00. Subject: Re: [none] (3 pages)	02/01/2000	Personal Misfile

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
WHO ([Latin America, IMF])
OA/Box Number: 500000

FOLDER TITLE:
[01/06/2000 - 02/01/2000]

2019-0152-F
ab1706

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Maria Alexandra Arriaga (CN=Maria Alexandra Arriaga/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 6-JAN-2000 16:14:52.00

SUBJECT: Friday's Latin America Advisor

TO: Melissa M. Murray (CN=Melissa M. Murray/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Mark R. Schlakman (CN=Mark R. Schlakman/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Richard Denniston (CN=Richard Denniston/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: David L. Evans (CN=David L. Evans/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Sharon A. Liggett (CN=Sharon A. Liggett/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Maria Alexandra Arriaga (CN=Maria Alexandra Arriaga/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TO: Francisco J. Sanchez (CN=Francisco J. Sanchez/OU=WHO/O=EOP@EOP [WHO])
READ:UNKNOWN

TEXT:
---------- Forwarded by Maria Alexandra Arriaga/WHO/EOP on
01/06/2000 04:14 PM ----------

Erik Brand <brande@nationalpress.com>
12/24/99 08:38:32 AM
Please respond to e.brand@iaginteractive.com
Record Type: Record

To: latinpub@iaginteractive.com
cc:
Subject: Friday's Latin America Advisor

TODAY'S TOP NEWS STORIES

Guatemalans Vote For New President In
Run-Off Sunday

Global Effort To Rebuild Venezuela Begins

Brazilian Banco Safra Sells $150 Million In Bonds

Brazil's Cepsa Pays $150 For Petrochemical Company

The Dialogue Continues

TODAY'S QUESTION

Peruvian President Alberto Fujimori?s standing in opinion polls has risen sharply in recent months while that of his chief presidential rivals, Alberto Andrade and Luis Castaneda Lossio, have fallen. To what do you attribute this turn of events? Is there any credence to the claims put forth by Fujimori?s opponents that he is playing ?dirty tricks? to weaken his rivals and pave the way for his re-election in April?

- LAA991224.PDF
- LAA991224.htm

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<br><i><font size=-1>Managing Director,</font></i>
<br><i><font size=-1>E.M. Warburg Pincus</font></i>
<p><b><font size=-1>Peter Egon de Svastich</font></b>
<br><i><font size=-1>Chairman, </font></i>
<br><i><font size=-1>WestHem International</font></i>
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<br><i><font size=-1>Managing Director, </font></i>
<br><i><font size=-1>Latin America, </font></i>
<br><i><font size=-1>Thomson Financial</font></i>
<br><i><font size=-1>Investor Relations</font></i>
<p><b><font size=-1>Ken Frankel</font></b>
<br><i><font size=-1>Head, Latin America </font></i>
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<p><b><font size=-1>Francis Freisinger</font></b>
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<br><i><font size=-1>Chubb & Son</font></i>
<p><b><font size=-1>Michael Gavin</font></b>
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Economic Research,

Latin America,

Warburg Dillon Read
<p>Francisco Gros

Chairman,

Latin America

Morgan Stanley

Dean Witter
<p>Peter Gruber

President,

Globalvest Management Company
<p>Peter Hakim

President,

Inter-American Dialogue
<p>Robert C. Helander

Partner,

Kaye, Scholer,

Fierman, et al.
<p>Robert D. Hormats

Vice Chairman,

Goldman Sachs International
<p>James R. Jones

Of Counsel,

Manatt, Phelps & Phillips
<p>David R. Malpass

Chief International Economist,

Bear Stearns & Co
<p>Thomas F. McLarty III

Vice-Chairman,

Kissinger McLarty Associates
<p>Geoffrey Milton

General Manager,

New York Branch,

Arab Banking Corporation
<p>Ronald Ratcliffe

Chief Latin American Economist,

SG Cowen Securities
<p>David L. Roberts

Managing Director,

Sovereign Research,

Banc of America

Securities, LLC
<p>Allen M. Rodriguez

Co-Manager,

Global Economics,

General Motors Corporation
<p>Thomas W. Studwell

Partner,

Baker & McKenzie
<p>Michael Warren

Latin America Analyst,

Toyota Motor

Corporate Services
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or
<p> By Phone: (212) 268-1443

By Fax: (212) 268-1113

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TOP NEWS STORIES
<p><!--TOP NEWS STORY TITLES ARE PLACED HERE BY PUBLISHING SYSTEM--><font fa
ce="HELVETICA">Guatemalans
Vote For New President In Run-Off Sunday
<p>Global Effort
To Rebuild Venezuela Begins
<p>Brazilian
Banco Safra Sells $150 Million In Bonds
<p>Brazil's Cepsa
Pays $150 For Petrochemical Company
<p>The Dialogue Continues
<p>TODAY'S QUESTION
<p><!--QUESTIONS AND ANSWERS ARE PLACED HERE BY PUBLISHING SYSTEM-->Peruvian

President Alberto Fujimoris standing in opinion polls has risen sharply
in recent months while that of his chief presidential rivals, Alberto Andrade
and Luis Castaneda Lossio, have fallen. To what do you attribute
this turn of events? Is there any credence to the claims put
forth by Fujimoris opponents that he is playing dirty tricks to weaken
his rivals and pave the way for his re-election in April?

<p> Yes: 0% No: 0% Other: 100%

<p>Other vote commentary: Peter Hakim: As the election
approaches Fujimori is clearly regaining his political stride. His success
in battling Peru's deadly guerrillas and the country's devastating inflation
gained him a good deal of political capital early in the decade--which
he is very adept at drawing upon. In addition, Peru's opposition groups
are feeble; they have never managed to mount any effective campaign against
Fujimori, who is -- more than anything else -- running against himself.
It is also clear that Fujimori has little respect for democracy or the
electoral process. Press freedoms are sharply curtailed; opposition figures
have been mercilessly harried by tabloids associated with the government;

the government's intelligence services have little regard for personal
freedom. Democratic practice in Peru is restricted, but without a minimally
effective opposition, voters will keep electing Fujimori.

<p>Other vote commentary: Robert C. Helander: I don't
know about the alleged dirty tricks, but the bottom line is that neither
Castaneda nor Andrade seem to stack up with the Peruvian pollees.
Candidates who start the downhill slide always tend to cry foul.
Fujimori may have his faults, but there is no denying that he has done
an extraordinary job as president. More than anything else, he has
shown Peru that one need not be a white Spanish criollo to be elected to
the Palacio de Pizarro. In itself, that is an extraordiary accomplishment.
;
A very distinguished Peruvian politician and thinker recently said to me
that, while he voted for Vargas Llosa in 1990, Fuji, almost single-handedly,&nb
sp;
has defused the ethnic-racial timebomb that has existed in Peru for centuries.&
nbsp;
That said, I have no doubt that Fuji will run again, and win in the first
round.
<p>Other vote commentary: Michael Gavin: I think that the
President's

popularity has much more to do with signs of economic recovery than
with

'dirty tricks'.
<p>Other vote commentary: James R. Jones: I don't
know about the internal

political tactics of the various parties and candidates. However, President

Fujimori has been articulating an impressive campaign of reminding
Peru's

electorate -- are you better off today than when I came into the Presidency
!
Clearly the response seems to be that most Peruvians believe Fujimori has
brought better times and they do not want to return to the pre-Fujimori
days of hyper inflation and guerilla terrorists haunting the people.
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Friday, December 24, 1999</fo
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<p>Guatemalans will go to the polls on Sunday to elect a new president

for the first time since the end of a 36-year civil war. As of press time, polls suggest that the opposition candidate, Alfonso Portillo of the rightist Guatemalan Republican Front (FRG), will win the election even-handedly with 67.7 percent of those polled supporting him and 32.3 percent in favor of his opponent, Oscar Berger of the ruling Party for National Advancement (PAN). Imogene Sieveking, a prominent businesswoman and long-time resident in Guatemala notes, "Portillo won by almost 2-1 over Oscar Berger of the PAN." Given the overwhelming support Sieveking believes that the "gap [between

the two candidates] will be impossible for Berger to close." Many have urged Berger to concede the election to Portillo in order to spare the country another election. A run-off is scheduled for December 26 because Portillo only won 48.7 percent of the vote in the initial election on November

7, slightly less than the required 51 percent to win the election. If elected,

the opposition candidate says he will rule in favor of the less fortunate Guatemalans which comprise a majority of the population. Some citizens question whether or not Portlillo is suitable to lead a nation. He has already admitted to killing two Mexican citizens and fleeing prosecution. Sieveking wonders if "the group surrounding him [will] let him govern" or make him into a puppet. Only time can tell how a Portillo-Administration will lead Guatemala into the next century. In Sieveking's view, "we got through Lucas, Rios Montt, Vinicio, Serrano, Ramiro and Arzu, why shouldn't we get through four years of Portillo?"

<p><a NAME="story2">Global Effort To Rebuild Venezuela Begins
<p>The global effort to rebuild Venezuela began in earnest on Wednesday as planes from the U.S. carrying water purifiers landed in the country, the European Union voted to send at least $3.2 million to the Andean nation, and the Chavez administration set aside $778 million to aid the process. Last week, torrential rains engorged waterways leading to massive flooding and mudslides which claimed the lives of anywhere between 5,000 to 30,000 Venezuelans. Officials have not been able to get accurate assessments due to the severity of the damage. The government is coordinating the relief effort from an airport in the coastal city of La Guaira. Colonel Mario Arvalaez, a commander of an elite paratrooper unit leading the rescue effort, tells reporters that the government is now focused on "trying to get water and food to those who decided to stay in the zone." The four water purifiers donated by the United States will facilitate this goal. In addition to the purifiers, the U.S. sent nine Blackhawk helicopters, a Hercules C-130 and a DC-8 airplane, $3.4 million and over 100 servicemen and women. Despite all of the international assistance, Venezuelans are doing the most to rebuild their country. In Caracas, the nation's capital city, middle-class housewives are contributing food, medicine, clothes, diapers and other essentials to those left homeless or in need by the disaster, while young men are riding motorbikes into the ravaged areas to help in the relief effort.

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<p><a NAME="story3">Brazilian Banco Safra Sells $150 Million In
Bonds
<p>Banco Safra, SA, Brazil's fifth largest bank, took advantage
of growing international demand for debt from emerging markets by selling
$150 million in eurobonds. The 25-month debt was sold by Safra with a coupon
of 10.125 percent, yielding 10.25 percent. Banco Safra Bahamas Ltd.,
the bank's Bahamas branch, managed the sale. Last month Safra increased
its 10.25 percent bond due in 2000 from $80 million to $145 million. According

to a Safra spokeswoman, the bank has "had very strong interest from private
banking clients both in Europe and in the U.S. for this kind of maturity.
There is nothing in the market like this." Banco Safra is joining a rally
in emerging market debt that has prompted a number of Brazilian banks and
companies to sell bonds recently, including Banco Itau, SA, Banco
Bradesco, SA and Companhia de Saneamento Basico de Estado de Sao
Paulo.

<p><a NAME="story4">Brazil's Cepsa Pays $150 For Petrochemical Company</
b>
<p>In a sale valued at more then $150 million, Spain's number two oil company,

Compania Espanola de Petroleos, SA (Cepsa), said that it purchased
a 72 percent stake in Deten, the Brazilian maker of ingredients
for detergents, as a step toward meeting its goal of expansion in the petrochem
icals
sector. Cepsa said it wants to expand its involvement in the petrochemicals
arena because of the industry's resistance to economic recessions and crises.
The company already has plants making detergents in Spain and Canada. Cepsa
hopes that by this purchase, its first move into Latin America, it is increasin
g
its ability to compete with larger companies such as Spain's number 1-ranking
Repsol-YPF, SA. Juan Carlos Calvo, an analyst at Merrill Lynch,
says "at first glance, this is positive because demand for detergents is
growing faster than the world's economy, and there are very few competitors
in this sector. This purchase reinforces Cepsa's position as number one
in this sector." The remaining 28 percent minority share of Deten belongs
to Petroleo Brasileiro, SA, the state-controlled oil company of
Brazil.

<p><a NAME="Is Latin America Doomed to Failure?">Is Latin America
Doomed to Failure?
<p>excerpted from an article by

Peter Hakim, President, Inter-American Dialogue,
and Latin America Advisor board member

<p>Part Three of Three

A Shaky Consensus

<p>Even though Latin America will fall short of expectations, most of the region will avoid disaster. Neither true military dictatorships nor populist economic strategies are likely to re-emerge, at least not any time soon. Most of the region's political leaders and financial managers

are betting on democratic politics and market economics and are struggling to make them work. Even President Chávez, who denounced "savage market capitalism" and promised to radically redistribute Venezuela's wealth, has not strayed from market orthodoxy. In Argentina, Chile, and Colombia

-- all countries facing their worst economic recessions this decade -- governments have stuck with the standard market policies promoted by the IMF and multilateral banks even in the face of eroding public support. With rare exceptions, the winning candidates in Latin America's presidential elections in the last 6 years have been those committed to market reforms.
;
This trend shows no immediate sign of abating, certainly not in the elections scheduled over the next year.
<p>Nowhere in Latin America today is democratic rule threatened by military takeover, as it has been through most of the region's history.
;
Both civilian and military leaders are aware of the immense costs that financial markets impose on economies plagued by political disruption. Nearly every hemispheric government would repudiate a military coup anywhere in Latin America.
<p>Aside from Peru, where controversy over Fujimori's standing for a third term may mar the elections, presidential votes this year and next -- in Chile, the Dominican Republic, Guatemala, Uruguay, and Mexico -- are all expected to be free and fair. Plus, Mexico's general elections are likely to be the most competitive in the country's history. Although Bolivia, El Salvador, and Nicaragua were novices at democracy when they took their first steps away from authoritarianism, all three governments have now survived two or three changes of administration -- and during tough times. No doubt, democracy will be on trial in Latin America for the foreseeable future, but Latin Americans are not likely to give up the benefits of the ballot box.
<p>There is still no fast-track trade-negotiating authority for the U.S. president, no deal with Chile, and no arrangement for the Caribbean Basin countries, all pledged by the United States at the Miami Summit of the Americas in 1994. True, the U.S. administration acted promptly when financial crises hit Mexico in 1995 and Brazil in 1998. Washington also responded generously and constructively to the Hurricane Mitch disaster in Central America. Yet, these actions provide scant evidence that the United States has the interest or capability to design and conduct the kind of long-term cooperative policy that will help reinforce democracy and economic progress in Latin America. For better or worse, Latin Americans are on their own.
<p>Measured against the high expectations that took hold early in the decade, the 1990s were disappointing for Latin America. Growth was too slow.
;
Economic volatility prevailed. Too little progress was made in fighting

either poverty or corruption. The institutions of government and
civil society remained wobbly without firm roots in most places.
Is Latin America doomed to failure? Surely not. With few exceptions
,
most countries in the region need to worry more about stagnation than backslidi
ng.
The region will still have its share of success stories, but no giant leaps
forward can be expected any time soon.
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<p><a NAME="Dialogue">Dialogue Continues
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THE DAILY INTERACTIVE FORUM FOR THE REGION'S LEADERS Friday, December 24, 1999
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IAG Latin America Advisor

TODAY'S TOP NEWS

Guatemalans Vote For New President In Run-Off Sunday.....page 2

Global Effort To Rebuild Venezuela Begins.....page 2

Brazilian Banco Safra Sells $150 Million In Bonds.....page 3

Brazil's Cepsa Pays $150 Million For Petrochemical Company.....page 3

QUESTION OF THE DAY

Peruvian President Alberto Fujimori's standing in opinion polls has risen sharply in recent months while that of his chief presidential rivals, Alberto Andrade and Luis Castaneda Lossio, have fallen. To what do you attribute this turn of events? Is there any credence to the claims put forth by Fujimori's opponents that he is playing "dirty tricks" to weaken his rivals and pave the way for his re-election in April?

YES: 0% NO: 0% OTHER: 100%

"Other" vote commentary: Peter Hakim: "As the election approaches Fujimori is clearly regaining his political stride. His success in battling Peru's deadly guerrillas and the country's devastating inflation gained him a good deal of political capital early in the decade–which he is very adept at drawing upon. In addition, Peru's opposition groups are feeble; they have never managed to mount any effective campaign against Fujimori, who is -- more than anything else -- running against himself. It is also clear that Fujimori has little respect for democracy or the electoral process. Press freedoms are sharply curtailed; opposition figures have been mercilessly harried by tabloids associated with the government; the government's intelligence services have little regard for personal freedom. Democratic practice in Peru is restricted, but without a minimally effective opposition, voters will keep electing Fujimori."

"Other" vote commentary: Robert C. Helander: "I don't know about the alleged dirty tricks, but the bottom line is that neither Castaneda nor Andrade seem to stack up with the Peruvian pollees. Candidates who start the downhill slide always tend to cry 'foul.' Fujimori may have his faults, but there is no denying that he has done an extraordinary job as president. More than anything else, he has shown Peru that one need not be a white Spanish criollo to be elected to the Palacio de Pizarro. In itself, that is an extraordiary accomplishment. A very distinguished Peruvian politician and thinker recently said to me that, while he voted for Vargas Llosa in 1990, Fuji, almost single-handedly, has defused the ethnic-racial timebomb that has existed in Peru for centuries. That said, I have no doubt that Fuji will run again, and win in the first round."

"Other" vote commentary: Michael Gavin: "I think that the President's popularity has much more to do with signs of economic recovery than with 'dirty tricks'."

"Other" vote commentary: James R. Jones: "I don't know about the internal political tactics of the various parties and candidates. However, President Fujimori has been articulating an impressive campaign of reminding Peru's electorate -- 'are you better off today than when I came into the Presidency!' Clearly the response seems to be that most Peruvians believe Fujimori has brought better times and they do not want to return to the pre-Fujimori days of hyper inflation and guerilla terrorists haunting the people."

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Political News

Guatemalans Vote For New President In Run-Off Sunday

Guatemalans will go to the polls on Sunday to elect a new president for the first time since the end of a 36-year civil war. As of press time, polls suggest that the opposition candidate, Alfonso Portillo of the rightist Guatemalan Republican Front (FRG), will win the election even-handedly with 67.7 percent of those polled supporting him and 32.3 percent in favor of his opponent, Oscar Berger of the ruling Party for National Advancement (PAN). Imogene Sieveking, a prominent businesswoman and long-time resident in Guatemala notes, "Portillo won by almost 2-1 over Oscar Berger of the PAN." Given the overwhelming support Sieveking believes that the "gap [between the two candidates] will be impossible for Berger to close." Many have urged Berger to concede the election to Portillo in order to spare the country another election. A run-off is scheduled for December 26 because Portillo only won 48.7 percent of the vote in the initial election on November 7, slightly less than the required 51 percent to win the election. If elected, the opposition candidate says he will rule in favor of the less fortunate Guatemalans which comprise a majority of the population. Some citizens question whether or not Portlillo is suitable to lead a nation. He has already admitted to killing two Mexican citizens and fleeing prosecution. Sieveking wonders if "the group surrounding him [will] let him govern" or make him into a puppet. Only time can tell how a Portillo-Administration will lead Guatemala into the next century. In Sieveking's view, "we got through Lucas, Rios Montt, Vinicio, Serrano, Ramiro and Arzu, why shouldn't we get through four years of Portillo?"

Global Effort To Rebuild Venezuela Begins

The global effort to rebuild Venezuela began in earnest on Wednesday as planes from the U.S. carrying water purifiers landed in the country, the European Union voted to send at least $3.2 million to the Andean nation, and the Chavez administration set aside $778 million to aid the process. Last week, torrential rains engorged waterways leading to massive flooding and mudslides which claimed the lives of anywhere between 5,000 to 30,000 Venezuelans. Officials have not been able to get accurate assessments due to the severity of the damage. The government is coordinating the relief effort from an airport in the coastal city of La Guaira. Colonel Mario Arvalaez, a commander of an elite paratrooper unit leading the rescue effort, tells reporters that the government is now focused on "try-

Is Latin America Doomed to Failure?

excerpted from an article by
Peter Hakim, President, Inter-American Dialogue, and *Latin America Advisor* board member

Part Three of Three

A Shaky Consensus

Even though Latin America will fall short of expectations, most of the region will avoid disaster. Neither true military dictatorships nor populist economic strategies are likely to re-emerge, at least not any time soon. Most of the region's political leaders and financial managers are betting on democratic politics and market economics and are struggling to make them work. Even President Chávez, who denounced "savage market capitalism" and promised to radically redistribute Venezuela's wealth, has not strayed from market orthodoxy. In Argentina, Chile, and Colombia -- all countries facing their worst economic recessions this decade -- governments have stuck with the standard market policies promoted by the IMF and multilateral banks even in the face of eroding public support. With rare exceptions, the winning candidates in Latin America's presidential elections in the last 6 years have been those committed to market reforms. This trend shows no immediate sign of abating, certainly not in the elections scheduled over the next year.

Nowhere in Latin America today is democratic rule threatened by military takeover, as it has been through most of the region's history. Both civilian and military leaders are aware of the immense costs that financial markets impose on economies plagued by political disruption. Nearly every hemispheric government would repudiate a military coup anywhere in Latin America.

Aside from Peru, where controversy over Fujimori's standing for a third term may mar the elections, presidential votes this year and next – in Chile, the Dominican Republic, Guatemala, Uruguay, and Mexico – are all expected to be free and fair. Plus, Mexico's general elections are likely to be the most competitive in the country's history. Although Bolivia, El Salvador, and Nicaragua were novices at democracy when they took their first steps away from authoritarianism, all three governments have now survived two or three changes of administration – and during tough times. No doubt, democracy will be on trial in Latin America for the foreseeable future, but Latin Americans are not likely to give up the benefits of the ballot box.

There is still no fast-track trade-negotiating authority for the U.S. president, no deal with Chile, and no arrangement for the Caribbean Basin countries, all pledged by the United States at the Miami Summit of the Americas in 1994. True, the U.S. administration acted promptly when financial crises hit Mexico in 1995 and Brazil in 1998. Washington also responded generously and constructively to the Hurricane Mitch disaster in Central America. Yet, these actions provide scant evidence that the United States has the interest or capability to design and conduct the kind of long-term cooperative policy that will help reinforce democracy and economic progress in Latin America. For better or worse, Latin Americans are on their own.

Measured against the high expectations that took hold early in the decade, the 1990s were disappointing for Latin America. Growth was too slow. Economic volatility prevailed. Too little progress was made in fighting either poverty or corruption. The institutions of government and civil society remained wobbly without firm roots in most places. Is Latin America doomed to failure? Surely not. With few exceptions, most countries in the region need to worry more about stagnation than backsliding. The region will still have its share of success stories, but no giant leaps forward can be expected any time soon.

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DIALOGUE CONTINUES

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ing to get water and food to those who decided to stay in the zone." The four water purifiers donated by the United States will facilitate this goal. In addition to the purifiers, the U.S. sent nine Blackhawk helicopters, a Hercules C-130 and a DC-8 airplane, $3.4 million and over 100 servicemen and women. Despite all of the international assistance, Venezuelans are doing the most to rebuild their country. In Caracas, the nation's capital city, middle-class housewives are contributing food, medicine, clothes, diapers and other essentials to those left homeless or in need by the disaster, while young men are riding motorbikes into the ravaged areas to help in the relief effort.

Company News

Brazilian Banco Safra Sells $150 Million In Bonds

Banco Safra, SA, Brazil's fifth largest bank, took advantage of growing international demand for debt from emerging markets by selling $150 million in eurobonds. The 25-month debt was sold by Safra with a coupon of 10.125 percent, yielding 10.25 percent. **Banco Safra Bahamas Ltd.**, the bank's Bahamas branch, managed the sale. Last month Safra increased its 10.25 percent bond due in 2000 from $80 million to $145 million. According to a Safra spokeswoman, the bank has "had very strong interest from private banking clients both in Europe and in the U.S. for this kind of maturity. There is nothing in the market like this." Banco Safra is joining a rally in emerging market debt that has prompted a number of Brazilian banks and companies to sell bonds recently, including **Banco Itau, SA**, **Banco Bradesco, SA** and **Companhia de Saneamento Basico de Estado de Sao Paulo**.

Brazil's Cepsa Pays $150 Million For Petrochemical Company

In a sale valued at more then $150 million, Spain's number two oil company, **Compania Espanola de Petroleos, SA** (Cepsa), said that it purchased a 72 percent stake in **Deten**, the Brazilian maker of ingredients for detergents, as a step toward meeting its goal of expansion in the petrochemicals sector. Cepsa said it wants to expand its involvement in the petrochemicals arena because of the industry's resistance to economic recessions and crises. The company already has plants making detergents in Spain and Canada. Cepsa hopes that by this purchase, its first move into Latin America, it is increasing its ability to compete with larger companies such as Spain's number one-ranking **Repsol-YPF, SA**. Juan Carlos Calvo, an analyst at Merrill Lynch, says "at first glance, this is positive because demand for detergents is growing faster than the world's economy, and there are very few competitors in this sector. This purchase reinforces Cepsa's position as number one in this sector." The remaining 28 percent minority share of Deten belongs to **Petroleo Brasileiro, SA**, the state-controlled oil company of Brazil.■

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Telefonica Expands Further Into Brazil

Brazilian ISPs Consider Filing Lawsuit Against Banco Bradesco

Brazil's BNDES Loans $165 Million to Telemar

$53 Million Raised In Patagon.com Share Sale

Sprint Buys Stake In Mexican Wireless Company

Tele Centro Sul Joins Restructuring Bonanza

Telefonica's Argentine Unit Buys Into E-Commerce Venture

Brazil's Banco Bilbao Will Launch Virtual Bank

AES Corp. Breaks Ground For Puerto Rican Power Plant

Summary of the Damage Caused by Flooding in Venezuela

Latin America Telcoms Say Ready For Y2K, But Worries Persist

THIS WEEK'S QUESTION

Telefonica de Argentina, SA and Telecom Argentina Stet-France recently bowed to government pressure to cut phone charges by about one-fifth. The move follows the inauguration of Fernando de la Rua, who promised during the campaign to pressure providers of public utilities and services to reduce their fees. Do you think the rate cuts were justified? What impact, if any, will they have on Telefonica's and Telecom's bottom lines? What impact, if any, will they have on Argentina's economy?

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of page.Friday, December 24, 1999 Company News 12/23/99 Brazil: Y2K-Related Concerns Delay Launch Of New Telecoms To avoid any Y2K-related problems, Brazil's telecommunications regulatory agency Anatel said on Wednesday that it will delay, by at least a week, the start-up dates of telephone companies due to begin competing with existing phone carriers on January 3. In order to have the new providers operational by the initial start date a great deal of preparation on or near January 1 would have to take place, the agency says. By delaying their start-up until between January 10 and January 24, Anatel said in a statement, the phone companies will be able "to avoid significant changes in the network between December 18 and January 9." Once operational, the new companies, known as "mirrors" since they will compete with the privatized units of the formerly state-owned telecom Telebras, will move Brazil further along in its plan to reveloutionize its telecommunications system. Intelig, a joint venture between Britain's National Grid, Sprint, Corp., and France Telecom, will compete against Embratel, the long-dista nce telephone operator owned by MCI WorldCom. A consortium led by Bell Canada International will start providing fixed-line service through Vesper Sao Paulo in Sao Paulo, Brazil's most-populous state, and Vesper, SA in the northeastern region. The Bell Canada-led group will mirror Telesp, controlled by Spain's Telefonica, in Sao Paulo and Tele Norte Leste in the northeastern region. The final "mirror" license serving the center-south region of the country and owned by a consortium including Dutch-based Global Village Telecom is not due to begin operations until later in 2000. 12/23/99 Telefonica Expands Further Into Brazil As part of its plans to further entrench itself in the Latin American market, Spanish telecommunications giant Telefonica paid $114 million for Brazil's Centrais Telefonicas de Ribeirao Preto, SA (Certerp). Though Ceterp is one of the smallest telephone companies in the country, the purchase enables Telefonica to extend its national coverage area even wider. "With this takeover, we are adding one more market to our Brazilian operation," Fernando Xavier Ferreira, chairman of the company's Brazilian operations told reporters, "in a municipality with one of the highest per capita income rates, and in a quite economically developed area." Analysts estimate that Certerp's operating region's pent-up demand is approximately 15,000 lines despite the fact that it has one of the highest telephone penetration rates in the country. This purchase comes on the heels of a Telefonica announcement on Wednesday that the company is setting aside $4.7 billion to use for expansion in Brazil over the next two years. Telefonica was the sole bidder for the asset, which allowed it to pay the smallest price possible for a controlling stake. Engeredes Engenharia de Redes, SA, a Brazilian company controlled by Infovias, SA, was expected to bid for the company but dropped out on Wednesday. 12/23/99 Brazilian ISPs Consider Filing Lawsuit Against Banco Bradesco Abranet, the Brazilian Association of Internet Service Providers, said that it would bring a complaint against Banco Bradesco, SA with the country's antitrust agency, O Estado de S. Paulo reported. Abranet is concerned that Banco Bradesco has decided to offer free Internet access to its clients. Antonio Tavares, president of Abranet, says "if other institutions follow the example set by Bradesco and begin offering free access, we will loose our only source of revenue." Abranet is scheduled to meet with representatives from Bradesco and Telefonica, SA, who set up the bank's network, to discuss solutions for the issue. Bradesco had planned to offer 20 free hours of Internet access to clients, a move seen as a way to strengthen consumer loyalty and increase traffic on its Web site. 12/23/99 Brazil's BNDES Loans $165 Million to Telemar Brazil's largest phone company, Tele Norte Leste Participacoes, SA (Telemar) , will receive 300 million reais ($165 million) today and another 100 million reais next Tuesday in bridge loans from Brazil's national development bank, BNDES, to help pay for investments that the company is planning over the next two years,according to Gazeta Mercantil. BNDES is seeking about 2.4 billion reias in financing to help fund 40 percent of its planned investments so that it can compete more effectively with its rival Vesper, a subsidiary of Bell Canada International. Tele Norte Leste will use the bridge loans to pay for costs already contracted in expanding and modernizing its network in six states. Bell Canada has allocated about $3 billion in funds towards investments in Brazil over the next three years. The company, through its Vesper companies, hopes to boost its commitment to the emerging Brazilian telecom market. 12/20/99 $53 Million Raised In Patagon.com Share Sale The Argentine online brokerage firm Patagon.com International Ltd. raised $53 million in a share sale to J.P. Morgan & Co.'s private equity unit, Telefonos de Mexico, SA, G.E. Capital Corp., and others. Wenceslao Casares, the CEO of Patagon.com, tells the Latin America Telecom Advisor that in the sale, Patagon was looking for prospective buyers that could provide in areas that the company is lacking. The funds acquired by the share sale will be used, "to develop financial products for the average retail market in Latin America, and aggressively market those products," according to Casares. Patagon.com hopes that it will be able to diversify its involvement in the personal finance business to include the sale of financial products like mortgages. The company is also planning to allow its patrons to use their accounts to pay utility and phone bills, and to buy products online. By offering lower fees than traditional brokerages and lower up-front money requirements, Patagon.com is trying to attract a new group of investors to regional markets. As the Latin American online market expands, Patagon.com and its investors hope that they can benefit from the increasing demand for Internet services. Some estimates say that the number of Web users in Latin America could jump seven-fold by 2003. "We don't think of Patagon.com as an online broker," says Casares, "less then 1 percent of Latin Americans are

invested in stocks, and in some countries a lot less. In order to provide added value, you have to provide a lot of retail services a prime example is online bill payment." Potential future goals for Patagon, which constantly looks to expand, include targeting the U.S. Hispanic market and Spain, according to Casares. 12/20/99 Sprint Buys Stake In Mexican Wireless Company U.S.-based Sprint Corp announced on Monday that it is buying 30.5 percent of Pegaso PCS, a Mexican wireless provider, in a deal worth $250 million. Currently Pegaso's suscriber base is approximately 51,000 in Guadalajara, Monterrey, Tijuana and Mexico City. Previously, Sprint entered into a partnersh ip with Telefonos de Mexico, SA,, (Telmex) the country's largest telecom, which fizzled for unspecified reasons. With this purchase, Sprint, through Pegaso, will go head-to-head with Telmex which has a 70 percent share in the local wireless market through Telcel, its cellular unit. The deal will also give Sprint access to a sizable market needing cross-border calling plans. Many Mexicans stay in close contact with their relatives and friends in the United States. According to Andy Sukawaty, chief executive of Sprint's wireless division, "Some of [the company's] fastest-growing markets are on the borders of Mexico." 12/17/99 Tele Centro Sul Joins Restructuring Bonanza The Brazilian fixed-line phone company, Tele Centro Sul Participacoes, SA revealed that it will be the latest to join in the shareholder restructuring trend among Brazil's telecom community, to take advantage of tax benefits. Tele Centro Sul plans on shifting its ownership structure to use 1.1 billion reais ($600 million) in goodwill to cut its tax bill in the next five years. Solpart Participacoes, SA, the holding company that currently owns Tele Centro Sul will renounce ownership to Telecom Italia SPA's largest Brazilian asset which plans on creating a holding company to take over the stock. Tele Centro Sul said that it was still studying long-awaited plans under which it would merge many of its operating units into a single unit. 12/17/99 Telefonica's Argentine Unit Buys Into E-Commerce Venture Telefonica de Argentina, SA purchased half of an Argentine Internet shopping venture from Inversiones y Representaciones, SA (IRSA), a real estate developer, for $24 million. The new venture will be called AltoCity, SA and should be up and running in at least three months, Bloomberg reports. Telefonica's Argentine unit, one of the largest telecoms in the country, brought more to the deal than money, IRSA officials say. Under the terms of the agreement, Telefonica must provide technical assistance for the online site and potentially for special Internet kiosks, set up in shopping mall's that IRSA operates. Both Telefonica and IRSA are in the process of enhancing their respective web presences. The former recently launched Terra Networks, it's Internet subsidiary, to the public in a highly successful offering to facilitate its goal. The latter, in comparison, recently unveiled a financial web co-venture and hopes this deal with Telefonica will be the first step in a very lucrative relationship. Reportedly IRSA would like to use Telefonica's network to set up e-commerce kiosks in places where it does not have an off-line presence. 12/17/99 Brazil's Banco Bilbao Will Launch Virtual Bank Spain's number two bank, Banco Bilbao Vizcaya, SA (BBV), says that it has plans to create an Internet bank for Latin America this year. Banco Bilbao hopes that, through the bank, it will be able to attract wealthy clients at a lower cost. Carlos Bedia, vice president of Banco Bilbao Vizcaya Brasil, SA, BBV's Brazilian unit, said "we plan to launch the virtual bank in Latin America's largest countries such as Brazil and Mexico in 2000." Banco Bilbao hopes that it can team up with other banks to offer more services, cheaper rates, and a wider variety of products, according to Heitor Martins, a consultant at McKinsey & Company Inc. in Brazil. Analysts say that the success of virtual banks in Latin America has not been as strong as previously expected. Many traditional banks have set up the virtual banks as distribution pathways for their own products instead of allowing the virtual banks to set up partnerships in order to add new services. According to Mordejai Goldenberg, a consultant at A.T. Kearney Inc. in Brazil, "Many banks have failed because they have made the virtual bank just an extension for their business and not a new business." Mr. Martins, from Mckinsey, said BBV would be the latest to join the steady stream of banks in the U.S. and Europe, which have launched virtual banks in the last few years. Brazil is Latin America's largest Internet market with about 2.3 million users, according to Martins. 12/17/99 AES Corp. Breaks Ground For Puerto Rican Power Plant AES Corporation, a global power company, announced today that it has initiated construction on an $800 million co-generation facility in Puerto Rico. The facility will provide electricity under a 25-year power purchase agreement to Puerto Rico Electric Power Authority (PREPA) as well as steam to Phillips Puerto Rico Core, Inc.'s petrochemical plant. In total, the plant will provide nine percent of the island's generating capacity and 15 percent of the current demand for electricity. Currently Puerto Rico is almost wholly dependent upon fuel oil, which the new facility will enable the island to rely less upon. The facility is being touted as the cleanest coal-fired plant in the world due to its use of recycled water from a neighbori ng wastewater treatment unit and other environmentally-friendly technologies. Summary of the Damage Caused by Flooding in Venezuela Contributed by Beatrice Rangel, Senior Vice President at the Cisneros Group of Companies and Latin America Telecom Advisor board memberThe weather-related tragedy that is currently afflicting Venezuela is beyond description. Accurate figures are not yet available, but deaths are expected in the thousands, the missing list is currently estimated at around 20,000 children, women and elders. More than 200,000 people have been left without food or shelter. This represents approximately 40,000 households and 80,000 workers. There are 21,500 homes destroyed and 52,000

severely affected. It is likely that 60% of these homes will not be re-inhabitable. Although these were the figures reported by the government, press accounts from Saturday, December 18th, indicate that the tragedy is much greater in scope, with thousands dead and hundreds of thousands injured or displaced. The central urban coastline was wiped away by raging flood waters rushing to the sea, and the shanty towns which were previously located on the surrounding mountainsides are now nothing but debris filling the cities' streets. Many families have died, trapped by gigantic avalanches and mudslides. Many were instantly killed by an inundation of ground floor apartments and homes. Survivors are trapped amid mountains of debris and surrounded by mud. The towns where they lived have been overwhelmed by floodwaters and mud, which in some coastal towns entirely cover streets and open spaces and fill buildings or have swept away houses. Highways are choked with debris and boulders brought down from the mountains. Rescue operations in such places are so difficult that the Ministry of Defense sent on Saturday 1,000 paratroopers to drop medical equipment and food supplies to survivors clinging to life on rooftops and piles of debris.&nb sp; Refuge centers have been established in Caracas, Valencia, Maracay and at the country's principal International Airport. These centers are already overcrowded as more victims are now airlifted or otherwise transported in. People are at risk of contracting diseases; many refugees are wounded or have developed infection s. Damage to infrastructure is approximately US $60 billion, which is equal to the total annual investment target for Latin America set by the World Bank. Caracas is virtually isolated, as two out of the three turnpikes that connect the capital city with the rest of the country have suffered severe damage. Thenationstelecommunication network is severely debilitated.&nbs p; The area most affected by flooding and mudslides had the one of the highest teledensity rates in the country as its residents -- a great number of whom held service jobs in Caracas -- could afford and needed phones in their day-to-day lives. The crisis erupted at the end of a fiscal year marked by an economic downturn. The recession is at record levels in this century (-10%), and has reduced fiscal revenues by 45%. In economic terms, the impact upon an already depressed economy is three times that of Hurricane Mitch as it affected the three hardest-hit Central American Nations. CA Nacional Telefonos de Venezuela, the state-owned telephone company, will have a difficult time rebuilding the telecommunications infrastructure given the negative growth with the economy. In any event, the most urgent tasks are to rescue survivors who are wounded and lack access to medicine, fresh water, and food. Another urgent task is to enhance the capacity of the country's forensic facilities to receive, identify and store corpses. All these facilities are operating beyond their limits and the risk of an epidemic induced by contaminat ion of water systems and the decomposition of bodies is real. While reservoirs are full, the rains have wiped away many ducts transporting water into Caracas. Also the Guapo dam that provides 40% of the water supply to Caracas was destroyed. Thus the threat of a water rationing is certain. Hospitals that were already operating at capacity due to severe budget restrictions lack the necessary equipment and medical procurements to adequatel y treat the wounded. The already understaffed and ill-equipped network of public hospitals and primary attention centers thus had little or no capacity at all to respond to this crisis. Doctors, nurses and paramedics are working around the clock to treat patients without adequate water supplies or surgical material. Medical facilities are comprised of 13 hospitals in Caracas and five hospitals in the coastal area, two of which have been destroyed by mud and rain. The 7,600 beds, which were available, are insufficient, with current patient to bed ratio of 6 to 1. The military and special forces are working around the clock to rescue survivors. At least three of the most populous lower middle class neighborhoods in Caracas are under water. There are tremendous problems with infrastruc ture, organization and management to be overcome. No emergency plans had been formulated for a tragedy of this scope. Help and contributions in both resources and funds are urgently needed. ; All forms of technical assistance will be needed. Sometimes the worst comes after the immediate and dramatic scenes have passed out. As of today, the essential task is to clean the villages and towns from the piles of mudslide and debris, and to bury the dead. Thus a fleet of Caterpillars and earth moving equipment is needed to remove the potential sources of epidemic. Iodine tablets and other water purifying agents are badly needed. Repairs of water and sewage systems are next in line. The construction of emergency housing will follow. Special note: The Cisneros Group of Companies is working to establish a fund for the relief efforts Habitat for Humanity International/Venezuel a 322 West Lamar Street Americus, GA 31709 Tel: (912)924-6935 Ext. 2593 ID# for tax purposes: US 501C3# 91-1914868. For more information on how to contribute, contact Ms.Rangel at Highgate Properties, 36 East 61st Street, NY, NY 10021, (212) 702-4229. Board member Spotlight The Roles States, Think Tanks, Philanthropy, Multilateral Agencies, and the Telecommunications Industry Play in Building Latin America's Telecommunicat ions Infrastructure Part Two of Two By Adis M. Vila, Director of Government Relations, Caribbean and Latin America, Nortel Networks The roles of the think tanks, philanthropy, and multilateral agencies At the First Summit of the Americas held in Miami in December 1994, the participating countries committed themselves to an ambitious and enlightene d program of social and institutional development in the region including:(1) Improving education and health systems; (2) Strengthening financial systems and capital markets;(3) Fighting corruption; improving the administration of justice; and (3)

Improving the income earning potential of the poor. Theirs was a social consensus not a financial consensus. Similar commitments, I might add, are taking place at other regional trading block levels including the EU with Eastern Europe and the Balkan States, and APEC in Asia and the Pacific. In April 1998 at the Second Summit of the Americas held in Santiago, Chile, leaders from the 34 democratically elected governments in the Western Hemisphere reiterated their commitment towards a hemispheric goal of free trade and integration. There is a real chance of bringing about some greater sense of stability with increased education and knowledge transfer, made much more possible now with technology. Technology, including knowledge transfer and distance learning, provide a huge opportunity to bring about a change in the gap between the developed and developing Nations. The role of the think tanksThink tanks have an important role to play in helping developing countries work closely with multilateral agencies, their respective governments and the telecommunications industry to develop public policy in such areas as: *R&D to encourage the private sector to find ways to leap frog present infrastructure limitations to ensure the developing countries can participate in the new economy; *Globalization to Help Governments think and act globally: support trade liberalization, open markets, and economic reform; *Support common and beneficial trade policies enacted across electronic commerce transactions. Tariffs are likely to fall as countries integrate into regional trading blocs such as Mercosur, the customs union that includes Brazil, Argentina, Uruguay, and Paraguay. *Strengthen the information infrastructure for electronic commerce including access to networks and improved reliability through regional and global programs. *Ensure fair taxation across jurisdictions. *Ensure that value-added taxes are transparent and consistent when applied to electronic commerce. *Develop and maintain common standards and technical regulations to facilitate electronic commerce across regional trade blocks. *Resolve issues of confidence and trust in international commerce including legal, security and reliability concerns, and privacy and consumer protection.& nbsp; *Increase participation in and use of electronic commerce by governments, smaller economies, small and medium sized enterprises, and business to business users. Increased user control of transactions lets capital flow more quickly, which means that investors can exit an economy quickly if there are signs of trouble. Investors will come to expect this ability; and, any country that does not have it will be penalized. *Provide: (1) Technical assistance in infrastructure development; (2) Institution building (regulatory, competition policies, judicial administration , procurement processes, macro-economic policies); and (3) Support education initiatives. For the key to leveling the playing field between the developed and developing countries is improving education and knowledge among the citizenry of the developing countries. Education has improved in Latin America, but the uneducated are increasing. In the 1960s, the average level of education in Latin America was in line with or slightly better than that in other countries at a comparable stage of development. Today, the average level of education in the region is about 5 years. This is 2 years less than the average in countries at a similar stage of development elsewhere in the world; and, 4 years less than in comparable East Asian countries. The quality of public schools throughout Latin America and the Caribbean, however, has deteriorated over the past generation and, in some countries, they are in a crisis. A recent study by the education program of the Inter-American Dialogue concluded that: (1) Most children in Latin America and the Caribbean today are deprived of a high quality education.and (2) Instead of contributing to progress, schools hold back the region- reinforcing poverty, inequality, and poor economic performance. The role of philanthropyIn Latin America, the inequality of income remains pronounced, and large numbers of people in the region continue to live in poverty. The overall picture of growth and social progress in Latin America over the last 30 years is clearly less than satisfactory. Governments, think tanks and the telecommunications industry must collaborat e with philanthropic organizations to use the Internet to develop and increase&nb sp; philanthropic giving and philanthropic activities. On October 21, 1999, The AOL Foundation launched Helping.org, a portal to assist contribut ors who want to lend a helping hand to the charity of their choice. A non-profit organization, Helping.org said it connects users to over 620,000 charities and more than 20,000 volunteer activities. A soon-to-be released AOL/Roper-Starch Cyberstudy shows that 30 percent of online users are interested in using the Internet to make charitable donations. AOL (AOL) Chairman and CEO Steve Case said, Helping.org uses the power and reach of the Internet to make it easier and more convenient than ever for people to help the causes they care about. There is no reason why Latin American philanthropy should not benefit from similar partnerships. The role of the multilateral agenciesDespite structural reforms aimed at building more open, yet resilient economies, Latin America remains highly dependent upon external capital flows. According to the International Monetary Fund (IMF), net capital inflows into LA dropped US$38 billion in 1999, less than half of what LA received in 1997. IMF estimates show an increase in net capital inflows to LA in 2000 to US$82.5 billion. The growth possibiliies of the region continue to be restricted by foreign savings. Thus, governments and the private sector must work closely with the World Bank, the regional development banks, and national development banks to ensure that those countries in Latin America establishing competitive markets are rewarded with capital. Project finance by multilateral development agencies will be required throughout Latin America to build the superhighway infrastruct ure." Despite the persistence

of unilateral policies throughout the 20th century, the relative balance between multilateral and unilateral US actions in the Americas shifted in favor of multilateral policies during the Bush and Clinton presidencies. President Bush negotiated the North American Free Trade Agreement (NAFTA), and proposed an initiative for free trade in the Americas (FTA). President Clinton obtained NAFTA's ratification.&n bsp; Both Administrations made greater use of the IMF, the World Bank, and the Inter-American Development to ward off financial crises in Latin America, promote economic stabilization and structural adjustment policies, and contribute to economic development. Both Administrations obtained significant capital replenishment for these international financial institution s from the US Congress. The cumulative shift toward multilateralism we have seen during the Bush and Clinton administrations suggests the trend will continue in the 21st century for they are grounded in the self-interest of all parties, the US, Latin America and the Caribbean. Building efficient and affordable telecommunications infrastructure: ; the role of the telecommunications industry The telecommunications industry must support the efforts of Latin American countries to create a robust and sustainable infrastructure for the new electronic world. The telecommunications industrys WORK PLAN is to deliver a high quality Internet that meets the demanding expectations of a growing public, improves peoples' daily lives, adapts to new uses, and supports economic expansion. To meet these challenges, the telecommunications industry has several tasks that affect the reliability, quality, speed, scalability, ease of use, and security of the Internet, and its access to the world's population. ReliabilityThe high-performance Internet of the future must be built to be as reliable and dependable as the telephone network is today. The high-performance Internet must live in a five 9's world. It must be available for everyone 99.999 percent of the time -- the equivalent of only five minutes of down time. QualityThe second and related area of weakness for the Internet is quality. You may have reliability in the sense that you may be technically on the network, but the quality is so bad you might as well be off it. We need to build a high-performance network that delivers the carrier-grade, consistent service of the PSTN today, the type of service that made the PSTN the indispens able communications network of the 20th century. Breaking the first mile bottleneckWe need copper, cable, and wireless high-speed technologies to break through the bottlenecks in the first mile between our homes and offices and the first switching point. We also need them to hook us up with optical backbones. The commerce of the futureScalability is another important item on the task list. Think for a moment of the growth of e-commerce and all that entails. The numbers we expect to see in 2003 are staggering Think of a small enterprise doing e-commerce. We can build a network for 1,000 users and should not have a problem scaling it up to 5,000. How about 500,000? That would be a major challenge and with the kind of growth we are about to see that need will be quite common. We need high-performance scalability. Today, Latin America is a relatively undeveloped market for online businesse s. However, according to researchers at International Data Corp, of 500 companies in Latin America surveyed in the summer of 1999, 85 percent responded they would be evaluating e-commerce within the next two years. Conclusion:At a conference in March 1999, Latin American author Gabriel Garcia Marquez told an audience of 100 young leaders that the 21st Century would be as peaceful and as responsive to the needs of Latin America as these young leaders are able to imagine it to be. He admonished: "Don't expect anything from the 21st Century, because it is the 21st century that expects everything from you." The 21st Century expects that we will jointly build the infrastructure. That we will strengthen democracy, build on market reforms, curb corruption and tax cheating, and improve the rule of law so that we might eliminate the inequality and insecurit y felt by many of our brethren. We must ensure that Latin America's, and the developing world's, entry into the global economy translates to a higher quality of life for all. The United Nations Commission on Science and Technology for Development concludes that the costs of not using information and communication technologies to build national information infrastructures are much HIGHER than the costs of doing so. Part one of Ms. Vilas piece appeared in the December 17, 1999 issue of the Latin America Telecom Advisor. Latin America Telcoms Say Ready For Y2K, But Worries Persist By Dustin Ross, Staff ReporterThe overall feeling among Telcoms in Latin America is one of preparedness, but a persisting uneasiness remains over possible Y2K glitches. The Latin America Telecom Advisor presents a brief country-by-country breakdown of readiness as it affects the Telecom industry. Argentina - Eduardo Mirabelli, press chief for Telefonica de Argentina says that the company is "fully prepared to face the millennium bug." "Telecom Argentina is prepared to face the challenge of the millennium service and quality," according to Communications Director Luis Perazo. Brazil - All Y2K preparations have been made, according to Eduardo Balduino, spokesman for the Communications Ministry. Anatel, the nation's telecom watchdog agency, has monitored successful testing by all phone companies, and 7,000 telecom workers will be on duty on Y2K. Anatel has also said that it will be delaying the start-up dates until after January 1 for telephone companies, due to begin competing with existing competitors, to prevent any potential problems. Chile - Accion 2000, the Planning Ministry's committee on Y2K, says that Chile's telecommunications sector is 99 percent prepared according to the following breakdown: basic telephony (99 percent), mobile phones (98 percent), national long distance (98 percent), international long distance (98 percent), and cable television (96 percent). Colombia - According to Hernando Carvalho, a

congressman and Y2K expert, Colombia was very late in launching repair work, he says "the country is about 70 percent ready." Angela Davila, the spokeswoman for Colombia's state-run telephone company says they have invested $10 million in introducing Y2K-compliant systems. According to Davila, Y2K problems are very remote. Mexico -- "We have worked so that the day of changeover to 2000 will be a day without surprises, a normal day," President Ernesto Zedillo told a news conference in mid-December. "There is no reason for massive failures in information systems." Telmex, Mexico's dominant telecommunication carrier, says that on November 29 it held a successful test of its network systems, covering everything from pagers to Internet access. Telmex set the clock on its network systems to a few minutes before the turn of the millennium and established a video conference between a company in Mexico City and another in the north-central state of Guanajuato. In addition, Telmex employees made domestic and international calls and connected to the Internet. When the clock ticked past midnight, communications were unaffected. The Mexican government has spent 60 million pesos, equal to about $6.3 million, on converting systems and estimates preparations are 99 percent completed, while local governments report they are 94 percent done. Peru - Peru's National Statistics Institute claims that Peru's telecoms sector is on of the most prepared industries within the country, with 99.7 percent of the sector ready. Telefonica, Peru's leading telecom, said it has invested about $20 million in preparing its computers. Venezuela - Jim Cassell of the Stamford, Conn. based Gartner Group, a top Y2K consulting agency, says that Venezuela ranks "in the bottom tier of the countries we consider of higher risk, and that's worldwide, not just in Latin America." CANTV the national telephone company says that it does not expect any problems on January 1. It has spent nearly $70 million and an estimated 700,000 man-hours preparing for the glitch. Nonetheless, it warns that as Venezuelans rush to talk to friends and relatives, a bottleneck around midnight could disrupt services. Central America - According to U.S. officials, Central American countries - having been ravaged by war and natural disasters, and with a dearth of computer-age technology - will experience almost no problems related to the Y2K computer phenomenon, Reuters reports. Some public and private sector officials remain concerned, and Central American governments have spent millions of dollars to prepare their systems for the end of the millenniu m. A U.S. Consular report concludes that the health and banking systems, as well as the telecommunications sector are at low risk in Guatemala and Nicaragua.&nb sp; The U.S. State Department has classified Panama, Nicaragua, Honduras, Guatemala , Costa Rica and El Salvador as Y2K prepared with low or moderate risk. Caribbean - According to local authorities, Y2K preparations have been under way for years and most major transport, banking, utility, and communication systems are ready. Lee Tablewski, a senior research associate at the University of Miami's North-South Centre, which has been tracking Y2K compliance in the Caribbean, says My best assessment now is that there are going to be some isolated problems but air transportation, sea transportation, utilities, banks...those things in the Caribbean are going to be running very well," said FOUN DER AND PRINCIPAL: JONATHAN I. ZEMMOL; PRINCIPAL: CATHERINE GAY; ASSOCIATE PUBLISHER: ERIK A. BRAND; MANAGING EDITOR: JONATHAN BAKER; REPORTERS: VINCENT JONES, DUSTIN ROSS; EDITORIAL ADVISOR: DAVID WERNICK; EDITORIAL INTERN: CARLOS PAVAN; DIRECTOR OF SPECIAL PROJECTS: MADELELINE COHEN; OFFICE MANAGER: PAULINE FREEDMAN; OFFICE ASSISTANT: CAROLYN REID. Copy right © 1999 International Advisory Group, Inc. Latin America Advisor is published daily by International Advisory Group, 875 Avenue of the Americas, Suite 1005, New York, NY 10001, (212) 268-1443. Fax: (212) 268-1113. The opinions expressed by the Advisors do not represent those of the publisher nor do they represent any consensus of belief. The analysis is the sole view of each advisor. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, please contact the editorial offices of the International Advisory Group. Contents of this report may not be reproduced, stored in a retrieval system, accessed by computer, or transmitted by any other means without prior written permission from the publisher.< /font>Copyright © 1999, International Advisory Group, Inc.

========== END ATTACHMENT 2 ==========

THE WEEKLY MEMBERSHIP PUBLICATION FOR THE INDUSTRY'S LEADERS

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LAG Latin America Telecom Advisor

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QUESTION OF THE WEEK

Telefonica de Argentina, SA and Telecom Argentina Stet-France recently bowed to government pressure to cut phone charges by about one-fifth. The move follows the inauguration of Fernando de la Rua, who promised during the campaign to pressure providers of public utilities and services to reduce their fees. Do you think the rate cuts were justified? What impact, if any, will they have on Telefonica's and Telecom's bottom lines? What impact, if any, will they have on Argentina's economy?

"Other" vote commentary: David R. Schmieg: "I cannot say whether the rate cuts directed by the government were either justified or at the right level. I can say, however, that I prefer for marketplace competition to drive the establishment and movement of prices which normally leads to a positive result for the business and residential consumers, as well as for stimulating commerce and economic growth."

"By definition, monopolies or duopolies do not offer services at lowest price, and both Telefonica and Telecom have been preparing themselves for the time in which their margins would be cut. "
--Arely Castellón

"Other" vote commentary: Arely Castellón: "By definition, monopolies or duopolies do not offer services at the lowest price, and both **Telefonica** and **Telecom** have been preparing themselves for the time in which their margins would be cut. The Alexis de Tocqueville Institution recently issued a telecom scorecard, comparing consumer costs for basic services for 20 countries in the Americas, and found Argentina to rank on the very high end. With lower prices, I would expect to see an increase in call volumes, creating an overall positive impact."

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Company News

12/23/99 Brazil: Y2K-Related Concerns Delay Launch Of New Telecoms

To avoid any Y2K-related problems, Brazil's telecommunications regulatory agency Anatel, said on Wednesday that it will delay, by at least a week, the start-up dates of telephone companies due to begin competing with existing phone carriers on January 3. In order to have the new providers operational by the initial start date, a great deal of preparation on or near January 1 would have to take place, the agency says. By delaying their start-up until between January 10 and January 24, Anatel said in a statement, the phone companies will be able "to avoid significant changes in the network between December 18 and January 9." Once operational, the new companies, known as "mirrors" since they will compete with the privatized units of the formerly state-owned telecom **Telebras**, will move Brazil further along in its plan to reveloutionize its telecommunications system. **Intelig**, a joint venture between Britain's **National Grid**, **Sprint, Corp.**, and **France Telecom**, will compete against **Embratel**, the long-distance telephone operator owned by **MCI WorldCom**. A consortium led by **Bell Canada International** will start providing fixed-line service through **Vesper Sao Paulo** in Sao Paulo, Brazil's most-populous state, and **Vesper, SA** in the northeastern region. The Bell Canada-led group will mirror **Telesp**, controlled by Spain's **Telefonica**, in Sao Paulo and **Tele Norte Leste** in the northeastern region. The final "mirror" license serving the center-south region of the country and owned by a consortium including Dutch-based Global Village Telecom is not due to begin operations until later in 2000.

12/23/99 Telefonica Expands Further Into Brazil

As part of its plans to further entrench itself in the Latin American market, Spanish telecommunications giant **Telefonica** paid $114 million for Brazil's **Centrais Telefonicas de Ribeirao Preto, SA** (Certerp). Though Ceterp is one of the smallest telephone companies in the country, the purchase enables Telefonica to extend its national coverage area even wider. "With this takeover, we are adding one more market to our Brazilian operation," Fernando Xavier Ferreira, chairman of the company's Brazilian operations told reporters, "in a municipality with one of the highest per capita income rates, and in a quite economically developed area." Analysts estimate that Certerp's operating region's pent-up demand is approximately 15,000 lines despite the fact that it has one of the highest telephone penetration rates in the country. This purchase comes on the heels of a Telefonica announcement on Wednesday that the company is setting aside $4.7 billion to use for expansion in Brazil over the next two years. Telefonica was the sole bidder for the asset, which allowed it to pay the smallest price possible for a controlling stake. **Engeredes Engenharia de Redes, SA**, a Brazilian company controlled by **Infovias, SA**, was expected to bid for the company but dropped out on Wednesday.

12/23/99 Brazilian ISPs Consider Filing Lawsuit Against Banco Bradesco

Abranet, the Brazilian Association of Internet Service Providers, said that it would bring a complaint against **Banco Bradesco, SA** with the country's antitrust agency, *O Estado de S. Paulo* reports. Abranet is concerned about Banco Bradesco decision to offer free Internet access to its clients. Antonio Tavares, president of Abranet, says "if other institutions follow the example set by Bradesco and begin offering free access, we will loose our only source of revenue." Abranet is scheduled to meet with representatives from Bradesco and **Telefonica, SA**, who set up the bank's network, to discuss solutions for the issue. Bradesco had planned to offer 20 free hours of Internet access to clients, a move seen as a way to strengthen consumer loyalty and increase traffic on its Web site.

12/23/99 Brazil's BNDES Loans $165 Million to Telemar

Brazil's largest phone company, **Tele Norte Leste Participacoes, SA** (Telemar), will receive 300 million *reais* ($165 million) today and another 100 million *reais* next Tuesday in bridge loans from Brazil's national development bank, BNDES, to help pay for investments that the company is planning over the next two years, according to *Gazeta Mercantil* BNDES is seeking about 2.4 billion *reias* in financing to help fund 40 percent of its planned investments so that it can compete more effectively with its rival **Vesper**, a subsidiary of **Bell Canada International**. Tele Norte Leste will use the bridge loans to pay for costs already contracted in expanding and modernizing its network in six states. Bell Canada has allocated about $3 billion in funds towards investments in Brazil over the next three years. The company, through its Vesper companies, plans to boost its commitment to the emerging Brazilian telecom market.

12/20/99 $53 Million Raised In Patagon.com Share Sale

The Argentine online brokerage firm **Patagon.com International Ltd.** raised $53 million in a share sale to **J.P. Morgan & Co.**'s private equity unit, **Telefonos de Mexico, SA**, **G.E. Capital Corp.**, and others. Wenceslao Casares, the CEO of Patagon.com, tells the *Latin America Telecom Advisor* that in the sale, Patagon was looking for prospective buyers that could provide in areas that the company is lacking. The funds acquired by the share sale will be used, "to develop financial products for the average retail market in Latin America, and aggressively market those products," according to Casares. Patagon.com hopes that it will be able

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Summary of the Damage Caused by Flooding in Venezuela

Contributed by Beatrice Rangel,
Senior Vice President at the Cisneros Group of Companies
and *Latin America Telecom Advisor* board member

The weather-related tragedy that is currently afflicting Venezuela is beyond description. Accurate figures are not yet available, but deaths are expected in the thousands, the missing list is currently estimated at around 20,000 children, women and elders. More than 200,000 people have been left without food or shelter. This represents approximately 40,000 households and 80,000 workers. There are 21,500 homes destroyed and 52,000 severely affected. It is likely that 60% of these homes will not be re-inhabitable. Although these were the figures reported by the government, press accounts from Saturday, December 18th, indicate that the tragedy is much greater in scope, with thousands dead and hundreds of thousands injured or displaced. The central urban coastline was wiped away by raging flood waters rushing to the sea, and the shanty towns which were previously located on the surrounding mountainsides are now nothing but debris filling the cities' streets.

Many families have died, trapped by gigantic avalanches and mudslides. Many were instantly killed by an inundation of ground floor apartments and homes. Survivors are trapped amid mountains of debris and surrounded by mud. The towns where they lived have been overwhelmed by floodwaters and mud, which in some coastal towns entirely cover streets and open spaces and fill buildings or have swept away houses. Highways are choked with debris and boulders brought down from the mountains. Rescue operations in such places are so difficult that the Ministry of Defense sent on Saturday 1,000 paratroopers to drop medical equipment and food supplies to survivors clinging to life on rooftops and piles of debris.

Refuge centers have been established in Caracas, Valencia, Maracay and at the country's principal International Airport. These centers are already overcrowded as more victims are now airlifted or otherwise transported in. People are at risk of contracting diseases; many refugees are wounded or have developed infections.

Damage to infrastructure is approximately US $60 billion, which is equal to the total annual investment target for Latin America set by the World Bank. Caracas is virtually isolated, as two out of the three turnpikes that connect the capital city with the rest of the country have suffered severe damage. The nation's telecommunication network is severely debilitated. The area most affected by flooding and mudslides had the one of the highest teledensity rates in the country as its residents -- a great number of whom held service jobs in Caracas -- could afford and needed phones in their day-to-day lives.

The crisis erupted at the end of a fiscal year marked by an economic downturn. The recession is at record levels in this century (-10%), and has reduced fiscal revenues by 45%. In economic terms, the impact upon an already depressed economy is three times that of Hurricane Mitch as it affected the three hardest-hit Central American Nations. CA Nacional Telefonos de Venezuela, the state-owned telephone company, will have a difficult time rebuilding the telecommunications infrastructure given the negative growth with the economy.

In any event, the most urgent tasks are to rescue survivors who are wounded and lack access to medicine, fresh water, and food. Another urgent task is to enhance the capacity of the country's forensic facilities to receive, identify and store corpses. All these facilities are operating beyond their limits and the risk of an epidemic induced by contamination of water systems and the decomposition of bodies is real.

While reservoirs are full, the rains have wiped away many ducts transporting water into Caracas. Also the Guapo dam that provides 40% of the water supply to Caracas was destroyed. Thus the threat of a water rationing is certain.

Hospitals that were already operating at capacity due to severe budget restrictions lack the necessary equipment and medical procurements to adequately treat the wounded. The already understaffed and ill-equipped network of public hospitals and primary attention centers thus had little or no capacity at all to respond to this crisis. Doctors, nurses and paramedics are working around the clock to treat patients without adequate water supplies or surgical material. Medical facilities are comprised of 13 hospitals in Caracas and five hospitals in the coastal area, two of which have been destroyed by mud and rain. The 7,600 beds, which were available, are insufficient, with current patient to bed ratio of 6 to 1.

The military and special forces are working around the clock to rescue survivors. At least three of the most populous lower middle class neighborhoods in Caracas are under water. There are tremendous problems with infrastructure, organization and management to be overcome. No emergency plans had been formulated for a tragedy of this scope.

Help and contributions in both resources and funds are urgently needed. All forms of technical assistance will be needed. Sometimes the worst comes after the immediate and dramatic scenes have passed out. As of today, the essential task is to clean the villages and towns from the piles of mudslide and debris, and to bury the dead. Thus a fleet of Caterpillars and earth moving equipment is needed to remove the potential sources of epidemic. Iodine tablets and other water purifying agents are badly needed. Repairs of water and sewage systems are next in line. The construction of emergency housing will follow.

Special note: The Cisneros Group of Companies is working to establish a fund for the relief efforts Habitat for Humanity International/Venezuela 322 West Lamar Street Americus, GA 31709 Tel: (912)924-6935 Ext. 2593 ID# for tax purposes: US 501C3# 91-1914868. For more information on how to contribute, contact Ms.Rangel at Highgate Properties, 36 East 61st Street, NY, NY 10021, (212) 702-4229.

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to diversify its involvement in the personal finance business to include the sale of financial products like mortgages. The company is also planning to allow its patrons to use their accounts to pay utility and phone bills, and to buy products online. By offering lower fees than traditional brokerages and lower up-front money requirements, Patagon.com is trying to attract a new group of investors to regional markets. As the Latin American online market expands, Patagon.com and its investors hope that they can benefit from the increasing demand for Internet services. Some estimates say that the number of Web users in Latin America could jump seven-fold by 2003. "We don't think of Patagon.com as an online broker," says Casares, "less then 1 percent of Latin Americans are invested in stocks, and in some countries a lot less. In order to provide added value, you have to provide a lot of retail services ... a prime example is online bill payment." Potential future goals for Patagon, which constantly looks to expand, include targeting the U.S. Hispanic market and Spain, according to Casares.

Special Announcement

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Jupiter Internet Commerce Forum Latin America

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February 15-16, 2000

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Chief Executive Officer
Fiera.com

Michael Shalom
Chief Executive Officer
Unete

Moyses Pluciennik
Chief Executive Officer
Globo Cabo

Wenceslao Casares
Chief Executive Officer
Patagon.com

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12/20/99 Sprint Buys Stake In Mexican Wireless Company

U.S.-based **Sprint Corp** announced on Monday that it is buying 30.5 percent of **Pegaso PCS**, a Mexican wireless provider, in a deal worth $250 million. Currently Pegaso's suscriber base is approximately 51,000 in Guadalajara, Monterrey, Tijuana and Mexico City. Previously, Sprint entered into a partnership with **Telefonos de Mexico, SA,** (Telmex) the country's largest telecom, which fizzled for unspecified reasons. With this purchase, Sprint, through Pegaso, will go head-to-head with Telmex which has a 70 percent share in the local wireless market through **Telcel**, its cellular unit. The deal will also give Sprint access to a sizable market needing cross-border calling plans. Many Mexicans stay in close contact with their relatives and friends in the United States. According to Andy Sukawaty, chief executive of Sprint's wireless division, "Some of [the company's] fastest-growing markets are on the borders of Mexico."

12/17/99 Tele Centro Sul Joins Restructuring Bonanza

The Brazilian fixed-line phone company, **Tele Centro Sul Participacoes, SA** revealed that it will be the latest to join in the shareholder restructuring trend among Brazil's telecom community, to take advantage of tax benefits. Tele Centro Sul plans on shifting its ownership structure to use 1.1 billion *reais* ($600 million) in goodwill to cut its tax bill in the next five years. **Solpart Participacoes, SA**, the holding company that currently owns Tele Centro Sul will renounce ownership to **Telecom Italia SPA**'s largest Brazilian asset which plans on creating a holding company to take over the stock. Tele Centro Sul said that it was still studying long-awaited plans under which it would merge many of its operating units into a single unit.

12/17/99 Telefonica's Argentine Unit Buys Into E-Commerce Venture

Telefonica de Argentina, SA purchased half of an Argentine Internet shopping venture from **Inversiones y Representaciones, SA** (IRSA), a real estate developer, for $24 million. The new venture will be called **AltoCity, SA** and should be up and running in at least three months, Bloomberg reports. Telefonica's Argentine unit, one of the largest telecoms in the country, brought more to the deal than money, IRSA officials say. Under the terms of the agreement, Telefonica must provide technical assistance for the online site and potentially for special Internet kiosks, set up in shopping mall's that IRSA operates. Both Telefonica and IRSA are in the process of enhancing their respective web presences. The former recently launched **Terra Networks**, it's Internet subsidiary, to the public in a highly successful offering. The latter, in comparison, recently unveiled a financial web co-venture and hopes this deal

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BOARD MEMBER SPOTLIGHT

The Roles States, Think Tanks, Philanthropy, Multilateral Agencies, and the Telecommunications Industry Play in Building Latin America's Telecommunications Infrastructure

Part Two of Two

By Adis M. Vila,
Director of Government Relations,
Caribbean and Latin America, Nortel Networks

The roles of the think tanks, philanthropy, and multilateral agencies

At the First Summit of the Americas held in Miami in December 1994, the participating countries committed themselves to an ambitious and enlightened program of social and institutional development in the region including: (1) Improving education and health systems; (2) Strengthening financial systems and capital markets; (3) Fighting corruption; improving the administration of justice; and (3) Improving the income earning potential of the poor.

Theirs was a social consensus not a financial consensus. Similar commitments, I might add, are taking place at other regional trading block levels including the EU with Eastern Europe and the Balkan States, and APEC in Asia and the Pacific.

In April 1998 at the Second Summit of the Americas held in Santiago, Chile, leaders from the 34 democratically elected governments in the Western Hemisphere reiterated their commitment towards a hemispheric goal of free trade and integration.

There is a real chance of bringing about some greater sense of stability with increased education and knowledge transfer, made much more possible now with technology. Technology, including knowledge transfer and distance learning, provide a huge opportunity to bring about a change in the gap between the developed and developing Nations.

The role of the think tanks

Think tanks have an important role to play in helping developing countries work closely with multilateral agencies, their respective governments and the telecommunications industry to develop public policy in such areas as:

■ R&D to encourage the private sector to find ways to leap frog present infrastructure limitations to ensure the developing countries can participate in the new economy;

■ Globalization to Help Governments think and act globally: support trade liberalization, open markets, and economic reform;

■ Support common and beneficial trade policies enacted across electronic commerce transactions. Tariffs are likely to fall as countries integrate into regional trading blocs such as Mercosur, the customs union that includes Brazil, Argentina, Uruguay, and Paraguay.

■Strengthen the information infrastructure for electronic commerce including access to networks and improved reliability through regional and global programs.

■ Ensure fair taxation across jurisdictions.

■Ensure that value-added taxes are transparent and consistent when applied to electronic commerce.

■Develop and maintain common standards and technical regulations to facilitate electronic commerce across regional trade blocks.

■Resolve issues of confidence and trust in international commerce including legal, security and reliability concerns, and privacy and consumer protection.

■Increase participation in and use of electronic commerce by governments, smaller economies, small and medium sized enterprises, and business to business users. Increased user control of transactions lets capital flow more quickly, which means that investors can exit an economy quickly if there are signs of trouble. Investors will come to expect this ability; and, any country that does not have it will be penalized.

■ Provide: (1) Technical assistance in infrastructure development; (2) Institution building (regulatory, competition policies, judicial administration, procurement processes, macro-economic policies); and (3) Support education initiatives.

Continued On Page Six

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"Board Member Spotlight," Continued From Page Six

For the key to leveling the playing field between the developed and developing countries is improving education and knowledge among the citizenry of the developing countries. Education has improved in Latin America, but the uneducated are increasing. In the 1960s, the average level of education in Latin America was in line with or slightly better than that in other countries at a comparable stage of development. Today, the average level of education in the region is about 5 years. This is 2 years less than the average in countries at a similar stage of development elsewhere in the world; and, 4 years less than in comparable East Asian countries. The quality of public schools throughout Latin America and the Caribbean, however, has deteriorated over the past generation and, in some countries, they are in a crisis. A recent study by the education program of the Inter-American Dialogue concluded that: (1) Most children in Latin America and the Caribbean today are deprived of a high quality education.and (2) Instead of contributing to progress, schools hold back the region- reinforcing poverty, inequality, and poor economic performance.

The role of philanthropy

In Latin America, the inequality of income remains pronounced, and large numbers of people in the region continue to live in poverty. The overall picture of growth and social progress in Latin America over the last 30 years is clearly less than satisfactory.

Governments, think tanks and the telecommunications industry must collaborate with philanthropic organizations to use the Internet to develop and increase philanthropic giving and philanthropic activities. On October 21, 1999, The AOL Foundation launched Helping.org, a portal to assist contributors who want to lend a helping hand to the charity of their choice. A non-profit organization, Helping.org said it connects users to over 620,000 charities and more than 20,000 volunteer activities. A soon-to-be released AOL/Roper-Starch Cyberstudy shows that 30 percent of online users are interested in using the Internet to make charitable donations. AOL (AOL) Chairman and CEO Steve Case said, "Helping.org uses the power and reach of the Internet to make it easier and more convenient than ever for people to help the causes they care about." There is no reason why Latin American philanthropy should not benefit from similar partnerships.

The role of the multilateral agencies

Despite structural reforms aimed at building more open, yet resilient economies, Latin America remains highly dependent upon external capital flows. According to the International Monetary Fund (IMF), net capital inflows into LA dropped US$38 billion in 1999, less than half of what LA received in 1997. IMF estimates show an increase in net capital inflows to LA in 2000 to US$82.5 billion. The growth possibilities of the region continue to be restricted by foreign savings. Thus, governments and the private sector must work closely with the World Bank, the regional development banks, and national development banks to ensure that those countries in Latin America establishing competitive markets are rewarded with capital. Project finance by multilateral development agencies will be required throughout Latin America to build the "superhighway infrastructure."

Despite the persistence of unilateral policies throughout the 20th century, the relative balance between multilateral and unilateral US actions in the Americas shifted in favor of multilateral policies during the Bush and Clinton presidencies. President Bush negotiated the North American Free Trade Agreement (NAFTA), and proposed an initiative for free trade in the Americas (FTA). President Clinton obtained NAFTA's ratification. Both Administrations made greater use of the IMF, the World Bank, and the Inter-American Development to ward off financial crises in Latin America, promote economic stabilization and structural adjustment policies, and contribute to economic development. Both Administrations obtained significant capital replenishment for these international financial institutions from the US Congress. The cumulative shift toward multilateralism we have seen during the Bush and Clinton administrations suggests the trend will continue in the 21st century for they are grounded in the self-interest of all parties, the US, Latin America and the Caribbean.

Continued On Page Eight

with Telefonica will be the first step in a very lucrative relationship. Reportedly IRSA would like to use Telefonica's network to set up e-commerce kiosks in places where it does not have an off-line presence.

12/17/99 Brazil's Banco Bilbao Will Launch Virtual Bank

Spain's number two bank, **Banco Bilbao Vizcaya, SA** (BBV), says that it has plans to create an Internet bank for Latin America this year. Banco Bilbao hopes that, through the bank, it will be able to attract wealthy clients at a lower cost. Carlos Bedia, vice president of **Banco Bilbao Vizcaya Brasil, SA**, BBV's Brazilian unit, said "we plan to launch the virtual bank in Latin America's largest countries such as Brazil and Mexico in 2000." Banco Bilbao hopes that it can team up with other banks to offer more services, cheaper rates, and a wider variety of products, according to Heitor Martins, a consultant at **McKinsey & Company Inc.** in Brazil. Analysts say that the success of virtual banks in Latin America has not been as strong as previously expected. Many traditional banks have set up the virtual banks as distribution pathways for their own products instead of allowing the virtual banks to set up partnerships in order to add new services. According to Mordejai Goldenberg, a consultant at **A.T. Kearney Inc.** in Brazil, "Many banks have failed because they have made the virtual bank just an extension for their business and not a new business." Mr. Martins, from Mckinsey, said BBV would be the latest to join the steady stream of banks in the U.S. and Europe, which have launched virtual banks in the last few years. Brazil is Latin America's largest Internet market with about 2.3 million users, according to Martins.

THIS WILL BE THE LAST *LATIN AMERICA TELECOM ADVISOR* THIS YEAR. OUR OFFICES WILL BE CLOSED DECEMBER 24-JANUARY 2 DUE TO THE HOLIDAYS. THE NEXT ISSUE WILL BE PUBLISHED ON JANUARY 7, 2000. WE HOPE YOU HAVE A FESTIVE HOLIDAY SEASON.

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Latin America Telcoms Say Ready For Y2K, But Worries Persist

By Dustin Ross, Staff Reporter

The overall feeling among Telcoms in Latin America is one of preparedness, but a persisting uneasiness remains over possible Y2K glitches. The *Latin America Telecom Advisor* presents a brief country-by-country breakdown of readiness as it affects the Telecom industry.

Argentina - Eduardo Mirabelli, press chief for **Telefonica de Argentina** says that the company is "fully prepared to face the millennium bug." "**Telecom Argentina** is prepared to face the challenge of the millennium service and quality," according to Communications Director Luis Perazo.

Brazil - All Y2K preparations have been made, according to Eduardo Balduino, spokesman for the Communications Ministry. Anatel, the nation's telecom watchdog agency, has monitored successful testing by all phone companies, and 7,000 telecom workers will be on duty on Y2K. Anatel has also said that it will be delaying the start-up dates until after January 1 for telephone companies, due to begin competing with existing competitors, to prevent any potential problems.

Chile - Accion 2000, the Planning Ministry's committee on Y2K, says that Chile's telecommunications sector is 99 percent prepared according to the following breakdown: basic telephony (99 percent), mobile phones (98 percent), national long distance (98 percent), international long distance (98 percent), and cable television (96 percent).

Colombia - According to Hernando Carvalho, a congressman and Y2K expert, Colombia was very late in launching repair work, he says "the country is about 70 percent ready." Angela Davila, the spokeswoman for Colombia's state-run telephone company says they have invested $10 million in introducing Y2K-compliant systems. According to Davila, Y2K problems are very remote.

Mexico -- "We have worked so that the day of changeover to 2000 will be a day without surprises, a normal day," President Ernesto Zedillo told a news conference in mid-December. "There is no reason for massive failures in information systems." **Telmex**, Mexico's dominant telecommunication carrier, says that on November 29 it held a successful test of its network systems, covering everything from pagers to Internet access. Telmex set the clock on its network systems to a few minutes before the turn of the millennium and established a video conference between a company in Mexico City and another in the north-central state of Guanajuato. In addition, Telmex employees made domestic and international calls and connected to the Internet. When the clock ticked past midnight, communications were unaffected. The Mexican government has spent 60 million *pesos*, equal to about $6.3 million, on converting systems and estimates preparations are 99 percent completed, while local governments report they are 94 percent done.

Peru - Peru's National Statistics Institute claims that Peru's telecoms sector is on of the most prepared industries within the country, with 99.7 percent of the sector ready. **Telefonica**, Peru's leading telecom, said it has invested about $20 million in preparing its computers.

Venezuela - Jim Cassell of the Stamford, Conn. based **Gartner Group**, a top Y2K consulting agency, says that Venezuela ranks "in the bottom tier of the countries we consider of higher risk, and that's worldwide, not just in Latin America." **CANTV** the national telephone company says that it does not expect any problems on January 1. It has spent nearly $70 million and an estimated 700,000 man-hours preparing for the glitch. Nonetheless, it warns that as Venezuelans rush to talk to friends and relatives, a bottleneck around midnight could disrupt services.

Central America - According to U.S. officials, Central American countries - having been ravaged by war and natural disasters, and with a dearth of computer-age technology - will experience almost no problems related to the Y2K computer phenomenon, Reuters reports. Some public and private sector officials remain concerned, and Central American governments have spent millions of dollars to prepare their systems for the end of the millennium. A U.S. Consular report concludes that the health and banking systems, as well as the telecommunications sector are at low risk in Guatemala and Nicaragua. The U.S. State Department has classified Panama, Nicaragua, Honduras, Guatemala, Costa Rica and El Salvador as Y2K prepared with low or moderate risk.

Caribbean - According to local authorities, Y2K preparations have been under way for years and most major transport, banking, utility, and communication systems are ready. Lee Tablewski, a senior research associate at the University of Miami's North-South Centre, which has been tracking Y2K compliance in the Caribbean, says "My best assessment now is that there are going to be some isolated problems but air transportation, sea transportation, utilities, banks...those things in the Caribbean are going to be running very well," said

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"Board Member Spotlight," Continued From Page Six

Building efficient and affordable telecommunications infrastructure: the role of the telecommunications industry.

The telecommunications industry must support the efforts of Latin American countries to create a robust and sustainable infrastructure for the new electronic world. The telecommunications industry's WORK PLAN is to deliver a high quality Internet that meets the demanding expectations of a growing public, improves peoples' daily lives, adapts to new uses, and supports economic expansion. To meet these challenges, the telecommunications industry has several tasks that affect the reliability, quality, speed, scalability, ease of use, and security of the Internet, and its access to the world's population.

Reliability.

The high-performance Internet of the future must be built to be as reliable and dependable as the telephone network is today. The high-performance Internet must live in a five 9's world. It must be available for everyone 99.999 percent of the time -- the equivalent of only five minutes of down time.

Quality

The second and related area of weakness for the Internet is quality. You may have reliability in the sense that you may be technically on the network, but the quality is so bad you might as well be off it. We need to build a high-performance network that delivers the carrier-grade, consistent service of the PSTN today, the type of service that made the PSTN the indispensable communications network of the 20th century.

Breaking the first mile bottleneck.

We need copper, cable, and wireless high-speed technologies to break through the bottlenecks in the first mile between our homes and offices and the first switching point. We also need them to hook us up with optical backbones.

The commerce of the future.

Scalability is another important item on the task list. Think for a moment of the growth of e-commerce and all that entails. The numbers we expect to see in 2003 are staggering Think of a small enterprise doing e-commerce. We can build a network for 1,000 users and should not have a problem scaling it up to 5,000. How about 500,000? That would be a major challenge and with the kind of growth we are about to see that need will be quite common. We need high-performance scalability.

Today, Latin America is a relatively undeveloped market for online businesses. However, according to researchers at International Data Corp, of 500 companies in Latin America surveyed in the summer of 1999, 85 percent responded they would be evaluating e-commerce within the next two years.

Conclusion:

At a conference in March 1999, Latin American author Gabriel Garcia Marquez told an audience of 100 young leaders that the 21st Century would be as peaceful and as responsive to the needs of Latin America as these young leaders are able to imagine it to be. He admonished: "Don't expect anything from the 21st Century, because it is the 21st century that expects everything from you." The 21st Century expects that we will jointly build the infrastructure. That we will strengthen democracy, build on market reforms, curb corruption and tax cheating, and improve the rule of law so that we might eliminate the inequality and insecurity felt by many of our brethren. We must ensure that Latin America's, and the developing world's, entry into the global economy translates to a higher quality of life for all. The United Nations Commission on Science and Technology for Development concludes that the costs of not using information and communication technologies to build national information infrastructures are much HIGHER than the costs of doing so.

Part one of Ms. Vila's piece appeared in the December 17, 1999 issue of the *Latin America Telecom Advisor.*

12/17/99 AES Corp. Breaks Ground For Puerto Rican Power Plant

AES Corporation, a global power company, announced today that it has initiated construction on an $800 million co-generation facility in Puerto Rico. The facility will provide electricity under a 25-year power purchase agreement to Puerto Rico Electric Power Authority (PREPA) as well as steam to **Phillips Puerto Rico Core, Inc.**'s petrochemical plant. In total, the plant will provide nine percent of the island's generating capacity and 15 percent of the current demand for electricity. Currently Puerto Rico is almost wholly dependent upon fuel oil, which the new facility will enable the island to rely less upon. The facility is being touted as the cleanest coal-fired plant in the world due to its use of recycled water from a neighboring wastewater treatment unit and other environmentally-friendly technologies.■

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Menem Administration Under Investigation

Mexico's Zapatista Army Celebrates Sixth Anniversary

Special Report: "The Day After Y2K"

TODAY'S QUESTION

Chilean presidential candidate Joaquin Lavin recently dealt a ?December surprise? to favorite Ricardo Lagos by collecting 47 percent of the vote in their first round contest, forcing a runoff on January 16. Do you think Lavin, whose canidadcy was dismissed by many analysts only six months ago as a huge long shot, has a real chance of winning the election? What will be the deciding factors? How will the closeness of the race affect the next President?s ability to govern?

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Brazil's currency devaluation last year reduced costs for manufacturers, such as Germany's Volkswagen AG, France's Renault SA, and Ford Motor Corp. and General Motors Corp of the United States, which have plants in both countries. As a result, Argentina is now losing jobs and factories to Brazil and in the first 10 months of the year, Argentina's overall vehicle exports fell to 82,000 units from 214,000 units in the same period of 1998. The two countries will meet again in Brasilia on January 12. If no agreement is reached by February 29, the Brazilians are likely to impose duties of up to 35 percent on Argentine autos, industry analysts say. The Argentines could do the same to Brazilian exports. Natural Disaster Could Jumpstart Venezuelan Economy An unexpected positive may arise out of the devastation wrought by the flooding and mudslides of mid-December in Venezuela's coastal region. 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"More and more people are starting to forecast that the economy is going to grow next year." A large part of that growth will be from the construction industry, which was down last year by 20.4 percent. President Hugo Chavez had announced, even before the disaster, that he had plans for a $993 million public works program, aimed at restoring the country's deteriorating infrastruc ture and constructing low-cost housing. Despite the rosy outlook, several issues have yet to be resolved thoroughly enough to put investors at ease. Although the new constitution was passed with strong support on December 15, questions still remain. New presidential, congressional and regional elections are scheduled for June but until they take place, a mini-congress selected by the country's constitutional assembly will pass bills. 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========== END ATTACHMENT 2 ==========

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IAG Latin America Advisor

TODAY'S TOP NEWS

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Economic News

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Special Report: The Day After Y2K

The *Latin America Advisor* presents a country-by-country breakdown of how some Latin American countries fared as clocks struck 12:01 on January 1, 2000.

Argentina -- In the Water and Electrical sectors no problems were reported. According to Fabian Falco, spokesman for water company **Aguas Argentinas** "Everything worked out perfectly." Andres Alcanraz of **Telefonica de Argentina** says that cellular communications and fixed lines, "worked out perfectly. Only in some places, lines were crammed as usually happens in New Year celebrations." To avoid problems in the aviation sector, all Argentine airlines downed planes during the midnight hour and resumed the next morning without incident.

Brazil -- In large cities users doubled the normal telephone traffic, which caused minor delays. There were no reports of Electricity, Water, or Aviation troubles across the country.

Chile -- According to Energy Minister Oscar Landarretche, Chile has "an absolutely normal situation," in the energy sector. The saturation of phone lines was less then expected with no reported delays. The Civil Aeronautics Agency (DGAC) says, "...all systems and equipment at the DGAC have continued functioning normally."

Colombia -- All sectors remained normal. There were no immediate reports of computer-related disruptions of energy supplies anywhere across the country. Phone carriers reported no delays. The Water sector's computer systems were "working perfectly," according to Diego Torres, a spokesman for Bogota's water company. Fanny Hara, an official in the Transport Ministry's Y2K command center said everything was completely normal at Colombia's airports, "there's no news."

You can find the full report at www.iaginteractive.com/publications.htm

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TEXT:
NATIONAL SECURITY AFFAIRS GUIDANCE

January 11, 2000

INTER-AMERICAN/MULTILATERAL

Pinochet Ruling

Colombia Assistance Rollout (DRAFT)

Ecuador/Dollarization

Cuban Boy

Panama/Unexploded Ordnance

Mexico/Drug Traffickers

EUROPE

Adams Visit

War Criminal

RUSSIA/NIS

Russia/Politics

Russia/Chechnya

Russia/Embassy Shooting

NEAR EAST/SOUTH ASIA

Palestinian Authority/Corruption

ASIA

China NTR

China/Military-to-Military Relations

DEFENSE/INTELL

NMD

Don,t Ask/Don,t Tell

CSIS Military Culture Study

TRANSNATIONAL/OSTP

Institute for Information Infrastructure Protection

ADMIN

NSC Security Files

PINOCHET RULING
January 12, 1999

Background: British Home Secretary Jack Straw said yesterday that former Chilean dictator Gen. Augusto Pinochet "is at present unfit to stand trial, and that no change to that position can be expected." This decision follows an independent medical examination of Gen. Pinochet on Jan. 5 by a team of 4 British doctors specializing in neurology and geriatrics, who determined in an "unequivocal and unanimous" conclusion that Gen. Pinochet's health had deteriorated significantly in September

and October 1999. This decision paves the way for Gen. Pinochet to return to Chile, and to avoid the charges of crimes against humanity that the Spanish government is pursuing against him.

What is the USG reaction to the decision by British Home Secretary Jack Straw that Gen. Pinochet is unfit to stand trial for health reasons?

ú This is, and always has been, a legal matter to be resolved between Britain, Chile, and Spain.

ú The specific issue of Gen. Pinochet's extradition is a matter for the British legal process to resolve.

ú We have always said that we would respect the outcome of the British legal process, no matter what the final decision was.

COLOMBIA ASSISTANCE ROLLOUT
January 11, 2000

TOPICS: ASSISTANCE PACKAGE AND UNDERLYING RATIONALE...

What is in the proposed package of increased assistance for Colombia announced by the President?

ú The proposal is a two-year, $1.6 billion request to Congress for funding to enhance our bilateral assistance programs for Colombia.

ú The assistance would be directed to counter-drug efforts and for other critical programs to help President Pastrana deepen democracy and promote peace and prosperity.

What is the increased assistance intended to accomplish?
ú The primary focus of the proposed increased USG assistance to Colombia is to continue countering the production and trafficking of illicit drugs, both to protect counter-drug successes elsewhere in the region and to reduce the overall amount of drugs entering the United States.
ú The increased assistance should also enable the GOC to make substantial additional progress in the realm of alternative development and extending effective governance throughout the country.

Why is it in our interest to provide such substantial assistance?

ú The global drug problem is truly an increasing threat shared by all nations. The extensive drug production and trafficking imperils Colombia ,s security and fuels both addiction and violence in other countries, including ours.

ú As the President has made clear, strengthening stability and

democracy in Colombia, and fighting the drug trade there, is the right thing to do, and it is very much in America's own national interest.
How does this significant funding fit into the USG ,s overall drug policy? Why isn ,t the USG doing more to address the demand for drugs in the United States that drives Andean drug production in the first place?
ú This package is perfectly in line with our National Drug Control Strategy) a strategy that represents a comprehensive approach that focusing on: educating children, decreasing the addict population, breaking the cycle of drugs and crime, securing our borders, and reducing the supply of drugs.
ú Our effort to support Plan Colombia directly supports goal five of the National Strategy: Break foreign and domestic drug sources of supply.
ú Funds used for overseas supply reduction still represent a small percentage of our entire National Drug Control budget. For example, in FY 99, USG funding by counter-drug activity was broken down as follows:

-- Demand reduction activities (e.g., treatment, prevention, research) accounted for 33%
of the National Drug Control budget ($5.4 billion).

) Domestic law enforcement accounted for 53% of that budget ($8.6 billion).

) In contrast, our international efforts were a mere 3% of the budget ($500 million),
while interdiction activities accounted for the remaining 10% ($1.6 billion).
ú To deal effectively with the overall drug problem, we need to deal simultaneously with drug supply reduction, transportation, distribution, and abuses issues that have a complex interrelation. The Colombia package will make an important addition to this fight.
What effect is this package likely to have on the troubled Colombian economy?
ú The emergency supplemental package will have a positive effect on the normally vigorous Colombian economy by addressing the serious security concerns business people face and by enhancing investor confidence.
ú It must be remembered that additional resources, such as the $2.7 billion IMF Extended Fund Facility and large social and infrastructural projects supported by loans from the World Bank and Inter-American Development Bank, will directly contribute to the revitalization of the Colombian economy.

TOPICS: PLAN COLOMBIA AND U.S. ROLE IN ITS DEVELOPMENT...

What is Plan Colombia?

ú Plan Colombia is an integrated, comprehensive strategy developed by the GOC to address their many interrelated problems.
ú The strategy addressed four critical areas: (1) the peace process and diplomacy; (2) counter-drug efforts, military reform, and the judicial system; (3) social development and democracy; and (4) economic development.
What is your reaction to the new strategy that the Colombian government

has proposed?

ú We think that President Pastrana and his government have developed a good, comprehensive, integrated approach to dealing with the considerable problems facing Colombia.

ú With assistance from the United States and other donors, the GOC should be able to effectively implement this new strategy. We expect to see progress with respect to all of the interrelated challenges that confront Colombia, including fighting drug production and trafficking, and jumpstarting the economic recovery and the peace process.

What was U.S. role in developing Plan Colombia?

ú Plan Colombia was developed by, was approved by, and will be implemented by the GOC.

ú The GOC did consult extensively with the USG as it developed and refined its strategy.

ú We have worked closely with all other countries committed to combating the illicit drug trade through robust domestic programs and international cooperation.

Is the United States seeking to impose a security and counter-drug strategy on Colombia?

ú No. The Colombian Government and the USG have been discussing the increasing problems in Colombia on a continuing basis for more than a year. This dialogue intensified in August when Under Secretary of State Pickering traveled to Bogota.

ú We assisted the Colombian Government in developing a comprehensive, integrated strategy to deal with the major challenges confronting Colombia, including drug trafficking, the economic slump, and the slow progress of the peace talks. The strategy that emerged from this process, however, was developed by, and approved by, the GOC.

ú The strategy deals with four critical themes: (1) the peace process and diplomacy; (2) counter-drug efforts, military reform, and the judicial system; (3) social development and democracy; and (4) economic development.

Has the support package been coordinated with the GOC?

ú Of course! The package is designed to support the GOC ,s own Plan Colombia.

How much is the GOC contributing to the implementation of its Plan Colombia?

ú President Pastrana has pledged to commit $4 billion in support of Plan Colombia.

ú In addition, the World Bank and the Inter-American Development Bank have committed hundreds of millions of dollars in loans to support primarily social, humanitarian, and infrastructure development, as well as economic revitalization. The International Monetary Fund has given Colombia a $2.7 billion Extended Fund Facility that should assist its macroeconomic recovery.

What policy reforms do you believe the Colombians need to carry out to make effective use of this package? Are other international donors also providing assistance?

ú An emergency supplemental for Colombia would reinforce the determined actions of President Pastrana to continue second-stage democratic reforms. These include: improving and modernizing the judicial system to end impunity and ensure fairness, transparency, and accountability; further professionalizing and restructuring the Colombian military; and breaking irretrievably any remaining links between members of the security forces and illegal armed groups.

TOPICS: POTENTIAL CRITICISMS OF PACKAGE...

Why is this an emergency supplemental? Why is it being done now instead of last fall during the regular 2000 budget cycle?

ú President Clinton announced last fall that he would present Congress with a package to support Plan Colombia early this year; this is that package.

ú Plan Colombia is a comprehensive and detailed plan, and it required a thoughtful and comprehensive and well-integrated support package.

Why has it taken so long to finalize this package?

ú We first conducted a comprehensive policy review, and consulted extensively with the GOC, to ensure the most effective strategy for reaching our policy objectives.

ú That process took longer than expected, but we believe that the investment in time was essential. We now have a well-conceived plan that implements the strategy and should provide the GOC with the critical additional assistance needed.

What about reports that U.S. support for Colombia will move beyond counter-drug cooperation to assistance for the counter-insurgency effort?

ú The USG will not provide counter-insurgency aid to the GOC. Increased support to the Colombian military will continue to be focused on the common counter-drug objective and will be provided only after a full human rights vetting.

ú Intimations that U.S. policy will shift from cooperating with the Colombians on the regional counter-drug fight to assisting their counter-insurgency efforts are ill-informed. As President Clinton has stated clearly, our policy in Colombia is to support President Pastrana ,s efforts to find a peaceful resolution to the country ,s longstanding civil conflict and to work with the Colombians) along with our other regional partners) on fighting illicit drugs.

ú Finally, I would remind you that a military solution is simply not possible for Colombia. We continue to call on the FARC to honor its commitments and enter into good faith negotiations with the Colombian

Government.

Is there concern about possible retaliatory violence by the drug traffickers following these arrests, especially given the prospect of extradition to face U.S. justice?

ú All law enforcement operations against dangerous criminals involve a measure of risk, including the possibility of retaliation against law enforcement personnel or other targets.

ú This concern is certainly relevant in the present context, especially given drug traffickers , well-documented willingness to use violence to achieve their ends.

ú All of the governments involved in this operation are aware of this risk and are taking appropriate security measures. I might add that USG-supported counter-drug operations have been regularly attacked in Colombia, by guerrillas as well as narcos.

ú We have and will continue to take the protection of U.S. citizens in Colombia, both official and unofficial, very seriously. One of our preventative measures is the publication here in this country of appropriate advisories for U.S. nationals abroad. For further information on these advisories, please contact Consular Affairs at the Department of State.

ú Perhaps most importantly, I would note that our ongoing law enforcement operations will not be deterred by the threat of violence. We will remain steadfast in our commitment to ensure that drug traffickers are brought to justice, whether in the United States or other countries.

If the drug trade is a problem throughout the Andes, why is the package so heavily weighted towards Colombia?

ú This package is a response to President Pastrana ,s Plan Colombia. Assistance is heavily weighted toward Colombia because Colombia is the source of most of the cocaine used in the United States. Counter-drug programs in Peru and Bolivia have significantly reduced coca leaf cultivation and cocaine production. One side-effect of this reduction has been an increase in leaf cultivation and cocaine production in Colombia.

ú In addition, counter-drug efforts in Colombia have been complicated by the participation in the drug trade of well-armed guerrillas and paramilitaries, who protect narco-traffickers across a broad swath of southern Colombia.

ú These factors, along with the effects of a recent devastating economic recession, have hampered the ability of the GOC to effectively deal with the narcotics trafficking problem.

ú That said, we are recommending additional resources for existing programs in neighboring countries to assist them as they turn from drug production. Further, we are requesting funding in support of construction

at a Forward Operating Location in Manta, Ecuador, to allow for more effective regional efforts against drug trafficking by air. These two programs taken together will help to counter the potential move of drug cultivation and production back out of Colombia.

What makes you think this new support package will work when previous USG support to Colombia seems to have had little effect on the drug flows?

ú As our success in Peru and Bolivia demonstrates, it is possible to combat narcotics production in the Andean region using a comprehensive and balanced approach. An unfortunate side-effect of this success in Peru and Bolivia was a shift of coca cultivation and cocaine production to Colombia. Because of this, we have concluded that a comprehensive attack against illicit drug production and trafficking in Colombia is essential.

ú This package is our response. It will enable the GOC ,s counter-drug program to move into the southern departments of Caqueta and Putumayo, where the narcos have found a safe-haven under guerrilla and paramilitary protection.

A significant portion of this package is focused on military assistance. Are you short-changing other components of Plan Colombia, such as alternative development, anti-corruption, etc.?

ú We are committing $240 million over the next two years to alternative development, enhancing good governance, judicial reform, and human rights protection. This is in addition to some $4 billion that the GOC is committing to Plan Colombia from its own resources.

ú Other donors, including the International Financial Institutions, are providing billions of dollars in loans aimed primarily at social, humanitarian, and infrastructure development, as well as economic revitalization.

Why are the CNP receiving so much less than the Colombian military when the police have the primary counter-drug responsibility?

ú The Colombian National Police have no stronger supporters than the members of this administration. Not only will they receive some $95 million in direct counter-drug support in this package, but they also were the primary GOC recipients of the FY 99 counter-drug emergency supplemental) receiving at least $158 million in that package.

ú It must be understood that assistance to the Colombian military is designed specifically to support the Colombian National Police law enforcement efforts by providing the Police with protection from attacks by illegal armed groups) whether guerrillas, paramilitaries, or the traffickers themselves) so that they can complete their mission.

ú We have been impressed with the way in which the Colombian military and national Police have begun to work together more effectively. General Tapias and General Serrano are committed to work hand-in-glove as the enter the new, more dangerous zones.

ú We believe that our assistance package is well-tailored to support the counter-drug strategy that we and the Colombians believe will be much more effective and secure for both the police and the military.

TOPIC: HUMAN RIGHTS CONCERNS...

What assurance do we have that this increased USG assistance will not lead to increased human rights abuses?

ú In accordance with the Leahy Amendment, all U.S. assistance to the Colombian security forces is contingent upon human rights screening. No USG assistance can be provided to any unit of the Colombian security forces against which there is evidence of gross human rights violations.

ú In addition, the USG has and will continue to provide support to strengthen the human rights offices of the GOC as well as human rights organizations.

What about allegations that the Colombian military is supporting paramilitary groups that have engaged in human rights abuses?

ú We commend the Colombian government ,s efforts to investigate cases of human rights abuse, by paramilitary groups and others, and to prosecute the human rights abusers.

ú We encourage the Colombian government to redouble these efforts. Bringing to an end the impunity enjoyed by those who abuse human rights is a critical component of the peace process.

What is the USG doing to ensure that increased assistance to the Colombian military will not go to those who abuse human rights?

ú U.S. law prohibits the provision of assistance or training to units of the Colombian military against whom there are credible allegations of human rights abuses.

ú Consistent with the law, the Administration carefully vets the recipients of all U.S. military assistance and training to ensure that our aid is not provided to human rights abusers.

ú We note that the Colombian military has one of the longest unbroken records of support for democracy and civilian government in the hemisphere.

Any response to recent reports of the danger faced by human rights advocates working in Colombia?

ú The human rights stance of the government and military has improved, but human rights workers are more vulnerable than ever to the guerrillas and paramilitaries. We continue to call on the paramilitaries, the FARC, and other guerrilla groups to respect international human rights norms and to cease the practice of kidnapping.

ú A key element of our Colombia policy is strict adherence to Leahy

and other human-rights-related provisions governing our security assistance.

ú We are also actively promoting and assisting the development of a national human rights policy, working with the Colombian Vice President's Office, as well as providing human rights-related training and assistance to the Colombian military and the human rights ombudsman. We also support enhanced protection for human rights monitors in Colombia.

ú Our support for the Colombian peace process is in part premised on the idea that a negotiated settlement is ultimately the best guarantee for human rights.

TOPIC: PEACE PROCESS...

What impact will this package likely have on the Colombian peace process?

ú This package will provide support to help train GOC negotiators and advisors on managing conflict and negotiations. Training will draw on the lessons learned in Northern Ireland, the Middle East, and Central America. The training will also examine the techniques for reintegrating ex-combatants into civil society. A public diplomacy campaign will engage civil society and seek their support for all aspects of Plan Colombia.

ú Also important, the package will send a strong message to Colombia ,s guerrillas that meaningful negotiations offer the best hope for peace and social justice. They can hope to win neither military victory nor political advantage through violence.

ú Finally, we believe that to the extent that Plan Colombia reinvigorates the Colombian economy, enhances GOC governing capability, discourages human rights abuses, and reduces the money available to guerrillas and paramilitaries from involvement in drug trafficking, it will encourage the peace process.

How is the Colombia peace process going?

ú Progress remains slow, but this important initiative is continuing.

ú We strongly support President Pastrana ,s efforts to broker a negotiated settlement to end Colombia ,s civil conflict. He was elected on a peace platform and won by the widest margin of victory in recent Colombian history. We believe the peace process is the best way to end Colombia ,s long-running conflict.

ú We also remain convinced that the peace process is also integral to long-run prospects for fighting narcotics trafficking, reducing kidnappings, restoring respect for human rights, and putting the Colombian economy back on a sustainable, high-growth trajectory.

ú We never expected that a peace settlement with the guerrilla groups could be achieved quickly. Lessons from similar disputes elsewhere suggest that the start-up phase of talks is particularly prone to violence as groups position themselves for the negotiations.

What about criticisms that Pastrana is pursuing a mistaken peace strategy and giving up too much to the FARC for too little?

ú We remain convinced that a negotiated settlement is the best way to end Colombia ,s long-running conflict. A purely military solution is simply not viable, given Colombia ,s vast size, the limited infrastructure in its interior, and the complex factors that have allowed a guerrilla presence for two generations.
ú However, for the peace process to succeed, all parties must participate fully and in good faith. We regret that the FARC engages in attacks that result in civilian casualties.

ú The GOC has worked hard to find formulations acceptable to both sides. In our view, the peace process in Colombia has to be broader than the issue of talking with any single guerrilla group, however significant that group is. President Pastrana and his team have set the peace table with a generous scope for negotiations. We encourage the FARC to sit down at that table and partake in a serious search for peace.

ú Starting a peace process in a country that has suffered 40 years of civil conflict and over 35,000 dead in the past decade alone is not easy. We do not expect the Colombian government will achieve a peace settlement with the guerrilla groups quickly. Lessons from similar disputes elsewhere suggest that the start-up phase of talks is particularly prone to lengthy delays and setbacks) and sometimes by unexpected breakthroughs.

TOPICS: INSURGENCY, PARAMILITARY & U.S. INTERVENTION CONCERNS...

Are we moving to support of GOC counter-insurgency efforts?

ú No. U.S. policy is not shifting from cooperating with the Colombians on the regional counter-drug fight to assisting their counter-insurgency efforts. As President Clinton has stated clearly, our policy in Colombia is to support President Pastrana ,s efforts to find a peaceful resolution to the country ,s longstanding civil conflict and to work with the Colombians) along with our other regional partners) on fighting illicit drugs.

ú A military solution is simply not possible for Colombia. We continue to call on the FARC to honor its commitments and enter into good faith negotiations with the Colombian Government.

What about fears that the FARC ,s strength is growing militarily?

ú The insurgency has been going on for 40 years. We see no evidence that either side has the wherewithal to settle the civil conflict militarily.

ú That is why we continue to believe that the best way to promote our interest in a stable Colombia is to back President Pastrana ,s efforts to reach a negotiated settlement.

Will you intervene militarily if things continue to deteriorate - this country at least is in our hemisphere?

ú We are aggressively supporting the GOC in its fight against drugs. In addition to providing financial assistance, we are trained special counter-drug military units to enhance Colombia ,s ability to conduct eradication and lab destruction operations.

ú As for the insurgency, again let ,s remember that it has been going on for 40 years and there is no expedient military solution. We believe that the best way to promote our interest in a stable Colombia is to back President Pastrana ,s efforts to reach a negotiated settlement.
ú Let me also reiterate the distinction between counter-drug and counter-insurgency assistance. The USG does not intend to provide counter-insurgency aid to the GOC. Any support to the Colombian military will continue to be focused on the common counter-drug objective and will be given only to units that have been vetted to ensure that they have not been responsible for human rights abuses.
ú Greater progress is necessary in countering the production and distribution of illicit drugs in Colombia, both to diminish the revenue available to the guerrillas and to protect counter-drug successes elsewhere in the region. However, there is a distinction between counter-drug and counter-insurgency, and the USG does not intend to provide counter-insurgency aid to the GOC.

What assurances will we have that the paramilitaries do not become the ultimate beneficiaries of the increased USG assistance to the Colombian military?

ú In accordance with U.S. law, all assistance to the Colombian armed forces is contingent upon human rights screening. No USG assistance is being provided to any unit of the Colombian military for which there is credible evidence of gross human rights violations by its members. None will be provided to such units, unless, as required by U.S. law, the Secretary of State determines that the GOC is taking steps to bring those responsible for gross human rights violations to justice.

ú The Colombian military has markedly improved its human rights performance in recent years. Unfortunately, at the same time, the number of abuses committed by the guerrillas and, particularly, by the paramilitaries has increased markedly.

ú We have urged the GOC to take effective steps to end abuses and impunity within the armed forces. We welcomed President Pastrana ,s decisions in 1999 to retire four generals linked to paramilitary groups, and statements by President Pastrana and top military officials that they would not tolerate collaboration with the paramilitaries.

Is any component of this package designed to help the Colombian military go after the paramilitaries?

ú This package is aimed at enhancing the GOC ,s ability to combat both drug trafficking and human rights abuses. It will reduce the abilities of the paramilitaries to engage in these illegal activities.

TOPIC: OPERATION MILLENIUM...

Did Operation Millennium play a role in the U.S. decision to increase support for GOC?

ú We are very pleased and encouraged by the results from Operation Millennium.

ú This was a recent large-scale international operation in which law enforcement authorities in Colombia, Mexico and the United States worked closely together to identify and then arrest major cocaine traffickers centered in Colombia who have been shipping huge quantities of illicit drugs to the United States.

ú We believe the operation is a model for the kind of multilateral cooperation, including the possibility of appropriate extraditions, that will be increasingly essential if responsible governments everywhere are to make substantial further progress against illicit drug trafficking.

ú While Operation Millennium was not the trigger for the U.S. decision to increase assistance, the initiative did demonstrate what the GOC is capable of achieving against the drug traffickers with appropriate USG assistance.

TALKING POINTS ON COLOMBIA PACKAGE

ú Want to brief you on our Colombia proposal, which we are now ready to present to the Hill.

ú We have been concerned with the drug explosion in Colombia for some time and have worked with the Government of Colombia to understand their strategy and plans for dealing with it.

ú In the GOC ,s view, and our own, the promotion of job creation, peace, and rule of law generally in Colombia could reinforce counter-drug efforts) as well as being desirable goals on their account.

ú We believe our proposal provides important support in all these areas in parallel to the much larger financial commitment by Colombia.

ú As the President promised, our package is substantial, integrated, comprehensive, and balanced. It includes $1.6 billion over two years, including an emergency FY 2000 supplemental of $954 million, additional FY 2001 funding of $318 million, and current support of approximately $150 million each for FY 2000 and FY. Its elements include:

-- Equipment and training to help facilitate a coordinated police-military push into the coca-growing strongholds in southern Colombia;

-- Enhanced air, maritime, and riverine interdiction of illicit drugs;

-- Other Colombian National Police counter-drug initiatives;

-- Major increases in alternative development programs, including both resettlement and job-generation activities;

-- Enhanced GOC governing capacity, especially in the areas of human rights, stronger judicial institutions, and training in support of the peace process.

ú Our efforts to strengthen the Colombian Army will be for counter-drug activities, not for counter-insurgency, and we will, of course, adhere to the Congressional legislation prohibiting assistance to individuals and units known to have committed human rights abuses.

ú The push into southern Colombia, involving security units, eradication, and alternative development, follows a tested strategy that has worked in Peru and Bolivia. The air interdiction approach has been enormously successful in Peru and has been tested in Colombia on the north coast.

ú That said, we and the GOC want to do this in the context of the rule of law, ensuring that human rights are protected and democracy is supported.

ú Another objective is to encourage the peace process with the goal of ending multiple insurgencies by negotiation. How soon this will happen will depend on the willingness of the multiple insurgent groups to negotiate.

ú Likewise, we want to work with the GOC to rebuild Colombia ,s economy, once the envy of the rest of Latin America.

ú You should know that our effort, together with Colombia ,s, will also be supported in the international community. The World Bank and Inter-American Development funding are considering hundreds of millions in loans for Colombia next year, and IMF has approved a $2.7B program. And we will now begin to push hard for other donors.

ú Finally, this package is not devoted exclusively to Colombia. There are also modest amounts of additional assistance for Peru, Bolivia, Ecuador, and Venezuela in the areas of both interdiction and alternative development. This assistance is needed to ensure that stronger counter-drug pressure in Colombia does not simply displace the drug problem to its neighbors.

ú In association with this phone call, we will begin briefing Congressional staffs on details. If you wish to receive the briefing personally, we would be pleased to provide it.

THE WHITE HOUSE

Office of the Press Secretary

For

Immediate Release January 11, 2000

STATEMENT BY THE PRESIDENT

Today I am sending an urgently-needed, two-year $1.3 billion request to Congress for additional funding to assist Colombia in vital counter-drug efforts aimed at keeping illegal drugs off our shores. It will also help Colombia promote peace and prosperity and deepen its democracy. Consistent with funds already appropriated by Congress, our resulting support over this year and next would total nearly $1.6 billion.

President Pastrana ,s inauguration in August 1998 brought to Colombia a new spirit of hope -- for stronger democracy, for broader prosperity, for an end to that country ,s long civil conflict. But increased drug production and trafficking, coupled with a serious economic recession and sustained violence throughout much of the country, have put that progress in peril.

President Pastrana has responded with a bold agenda -- Plan Colombia. It provides a solid, multifaceted strategy that the United States should support with substantial assistance. We have a compelling national interest in reducing the flow of cocaine and heroin to our shores, and in promoting peace, democracy and economic growth in Colombia and the region. Given the magnitude of the drug trafficking problem and their current economic difficulties, neither the Government of Colombia nor its neighbors can carry the full burden alone.

In Fiscal Year 2000, much of our support will be focused on a one-time infusion of funds to help boost Colombia ,s interdiction and eradication capabilities, particularly in the south.
The package will also include assistance for economic development, protection of human rights, and judicial reform.

Our bilateral aid to Colombia will be supplemented by multilateral agencies. The World Bank and Inter-American Development Bank are considering hundreds of millions of dollars in loans for Colombia next year. The IMF has already pledged a $2.7 billion Extended Fund facility to help jumpstart the economy. And we will also continue to encourage our allies to assist Colombia.

The obstacles to a better future for Colombia are substantial. We expect it will require years before the full benefits of Plan Colombia are felt. But I believe that with our support and that of other donors, Plan Colombia can soon accelerate Colombia ,s nascent economic recovery. Over the longer haul, we can expect to see more effective drug eradication and increased interdiction of illicit drug shipments.

Strengthening stability and democracy in Colombia, and fighting the drug trade there, is in our fundamental national interest. So, with President Pastrana and with our Congress, we must and we will intensify this vital work.

# # #

DRAFT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release January 11, 2000

FACT SHEET

Colombia Assistance Package

Colombia and its democratically elected government are facing an urgent crisis that has narcotics, military and economic dimensions. Narco traffickers in Colombia now supply about 80 percent of the cocaine used in the United States.

Colombian President Andres Pastrana, who took office in August 1998, has developed a comprehensive, integrated approach to addressing Colombia ,s problems. Plan Colombia would strengthen the Colombian economy and democracy, and fight narcotics trafficking. The Colombian government estimates that Plan Colombia will cost $7.5 billion and is dedicating $4 billion of its own resources. It has also asked for the participation and help of the United States and other nations.

The United States has a vital interest in the success of this plan. For this reason, the President is sending to Congress a $1.3 request for additional funding for an expanded comprehensive program. Consistent with funds already appropriated by Congress, U.S. support over this year and next would total nearly $1.6 billion.

The five major components of U.S. assistance are:

ú Helping the Colombian Government push into the coca-growing regions of the southern Colombia, which are now dominated by insurgent guerillas. Funds will help train special counter-narcotics battalions, purchase 30 Blackhawk and 33 Huey helicopters, and provide other support.

ú Upgrading Colombian capability to aggressively interdict cocaine and cocaine traffickers. Funds will be used for radar, aircraft and airfield upgrades, and improved anti-narcotics intelligence gathering.

ú Increasing coca crop eradication. The Administration will propose $96 million to purchase equipment that will enable the Colombian National Police to eradicate more coca and poppy fields.

ú Creating alternative paths for development. The Administration will propose $145 million over the next two years to provide economic

alternatives for Colombian farmers who now grow coca and poppy plants.

ú Increasing protection of human rights, expanding the rule of law, and promoting the peace process. The Administration will propose $93 million for new programs that will help the judicial system, and crack down on money laundering.

This initiative will be submitted as part of the President ,s Budget. It will add to our current support of approximately $150 million each year an emergency FY 2000 supplemental of $954 million and additional FY 2001 funding of $318 million.

The Administration looks forward to working with Congress to help Colombia confront it current problems, while reducing the supply of drugs coming to the United States) to help both their national interest and our own.

# # #

ECUADOR: REACTION TO DOLLARIZATION ANNOUNCEMENT
January 11, 2000

CONTEXT: President Mahuad announced on Sunday that Ecuador will move to dollarize its economy in reaction to its economic and political crisis .

What are your views on Ecuador ,s decision to adopt the dollar as its currency?

ú We are closely watching developments in Ecuador following the GOE , s announcement that it will dollarize. We have been in contact with Ecuadorian authorities and the IMF.
ú Strong underlying economic policies, including policies to ensure a sound banking sector and sound public finances, will be essential for Ecuador to achieve economic and financial confidence and stability going forward.
ú We encourage the GOE to consult with the IMF on its monetary and exchange rate arrangements in the context of its overall economic program.

ú We encourage all Ecuadorian political leaders to put national interests ahead of party politics and avoid a more serious economic and institutional crisis.
ú Above all, it is important that the constitutional order be respected.

CUBAN BOY
January 11, 2000

CONTEXT: On January 10, the Miami Dade Circuit Court awarded emergency temporary custody of Elian Gonzalez to his great uncle, Lazaro Gonzalez, pending a full hearing on the great uncle ,s petition for temporary custody on March 6. The court also ruled that Elian may not be removed from the

jurisdiction and gave the great uncle such limited legal authority as necessary to preserve the status quo and prevent his removal, including the authority to speak on behalf of Elian in immigration matters. Late January 7, Representative Dan Burton (R-IN) issued a subpoena for Elian to appear before the House Government Reform Committee on 10 February. In subsequent interviews, Burton claimed that his intent was not to have Elian testify but to keep him in the United States past the INS declared January 14 deadline. He added that his intent was to ensure that the case would be decided by a Florida court and that he would respect the decision of that court with regard to custody of Elian. A delegation from Miami, --the Mayors of Miami and Dade County, along with a lawyer for the boy and a representative from the Cuban American National Foundation---met with the Attorney General on January 7 to register their objections to the INS decision. Senator Bob Smith (R-NH) visited Elian on January 8 and announced his intention to ask the Attorney General to drop the Friday deadline.

What is the INS decision in the Elian Gonzalez case?

ú INS determined that Elian ,s father, Juan Gonzalez, has sole authority to speak on his son ,s behalf regarding his immigration status in this case. Mr. Gonzalez has asked that his son be returned to Cuba.

Now that a Florida court has awarded temporary custody to Elian ,s great uncle, will INS be able to carry out its decision?

ú The Justice Department is currently reviewing this issue and I would I refer you to them for response.

Do you expect that the father will come to the United States to contest custody?

ú We hope that he will, but that decision is up to the father, Mr. Gonzalez. The State Department has offered to facilitate the issuance of a visa for the child ,s father should he wish to travel here, and we continue to believe that it would be helpful in resolving this matter expeditiously.

Gov. Bush of Florida is appealing to the President to overturn the INS decision. Will he do that?

ú As the President has said, this was a legal, not a political decision. The decision was made by the appropriate legal authority within the U.S. government) the INS. INS followed the law and its procedures in determining that the boy ,s father speaks for the boy in immigration matters.

Was the decision to return Elian Gonzalez made so to appease Castro as

reported in the January 6 edition of the New York Times?

ú Let me repeat what the President has said. This decision was a non-political decision made by the relevant officials at the Immigration and Naturalization Service in consultation with the Department of Justice based on the facts of the case and in conformity with the law and with INS rules and procedures.

Were the political implications of the decision discussed at the senior levels?

ú White House officials did not seek to, nor did they, influence the outcome of this decision, which, let me reiterate, was made solely by the responsible authorities following the law and INS rules and procedures.

Are U.S. officials concerned about the reaction of the Cuban American community in Miami?

ú We understand that for many this is an emotional issue, but it is our hope that the Miami community will remain peaceful in order to allow the legal process to work its course in this matter.

Representative Dan Burton (R-IN) has issued a subpoena for Elian to appear before the House Government Reform Committee on 10 February. Will that prevent Elian from returning to his father by the INS deadline of January 14?

ú The Department of Justice is reviewing this matter, and I refer you to them on this question.

PANAMA: UNEXPLODED ORDNANCE ON FORMER U.S. FIRING RANGES
January 10, 2000

CONTEXT: The Washington Post reported today on allegations by the Government of Panama (GOP) that the U.S. has not met its treaty obligations regarding the clean up of unexploded ordnance (UXO) on former firing ranges in the Canal Zone in Panama. In the article, the Post notes that the GOP has presented photographs, taken by a private consultant, of alleged UXO at various sites within the former ranges. In previous public statements, the Departments of State and Defense have stated that the U.S. had fulfilled its obligations under the Panama Canal Treaty to remove UXO & insofar as practicable. 8 Until a USG inspection is conducted, it is impossible to say with certainty if this new evidence belies these statements or not. We have notified the GOP of our desire to inspect the

sites of alleged UXO and have assured the GOP of our commitment to live up to our treaty obligations. We hope to send a team of experts to Panama to inspect the sites in the near future. The GOP is anxious for this team to come, and has agreed that such a visit should be low key. During a December 26 television interview, Panamanian Foreign Minister Aleman claimed that the USG now recognizes that the ranges were not cleaned up properly.

Any comment on the allegation that the U.S. has not met its treaty obligations regarding UXO on former firing ranges in Panama?

ú The Panama Canal Treaty requires the U.S. to remove unexploded ordnance to the extent &practicable. 8 Most) 84 percent) of the areas of former ranges has been restored to full use. However, a small portion of the former ranges (14 percent of the ranges and 2 percent of the former Canal Zone) must remain off limits to human access because complete removal of all unexploded ordnance for these areas is not practicable, given current technology, difficulties imposed by the terrain, and the need to preserve forested areas that protect vital Canal watershed and provide habitat for numerous endangered plants and animals.

Are you saying that the U.S. has complied with the treaty?

ú We believe we have complied with the terms of the treaty. We informed the Government of Panama when the ranges were transferred that there were areas that would have to remain off limits. We provided it with a complete range management plan, including equipment and training, to manage those areas at the time. We are willing to continue to provide assistance to the Government of Panama in managing those areas.

But what about reports of photographs of unexploded ordnance?

ú Representatives of the Government of Panama recently briefed the Department of State about purported unexploded ordnance on former U.S. firing ranges. We are looking into the matter and will work with the Government of Panama in a cooperative spirit to determine the facts and resolve any outstanding issues.

But Foreign Minister Aleman said the Department of State has recognized that the clean up was not adequate. Is this not true?

ú I am not going to get into characterizing what the Foreign Minister said. The important point is that we are looking into the matter and will work with the Government of Panama to resolve any outstanding issues.

Will the U.S. send a team of experts to Panama to examine the evidence?

ú I have nothing to say at this time about any specific plans.

MEXICO: ARELLANO DRUG TRAFFICKERS STILL AT LARGE IN MEXICO
January 10, 2000

BACKGROUND: In a front-page NYT article on January 10th, Tim Golden describes the still-at-large Arellano brothers and their close drug trafficking associates as &glaring symbols of the failure of the American and Mexican governments even to disrupt the powerful gangs that control Mexico ,s drug trade. 8 Golden bases his assessment on the simple fact that, despite a sustained and costly effort to bring the Arellanos to justice, they remain at large and very much at work moving illicit drugs north into the United States. Golden goes further to assert that the & most basic obstacle remains the corruption that pervades Mexican law enforcement. 8 Most of Golden ,s key points are valid, but his article fails to provide sufficient context relating to the overall counter-drug effort in Mexico. While the Arellanos are still at large, and there is certainly significant corruption in Mexican law enforcement, GOM has made progress in its ongoing counter-drug campaign, and the fact that the Arellanos remain active traffickers today doesn ,t mean that ongoing law enforcement initiatives won ,t prove successful against them in the future, as such initiatives have against other major traffickers in Mexico and elsewhere.

ú Both the U.S. and Mexican Governments share the frustration reflected in media reports and elsewhere that the Arellano cartel has not been dismantled.

ú In addition, there is significant concern on the part of both governments about the way in which corruption often makes it much more difficult to carry out effective law enforcement operations against drug traffickers, wherever they may be found.

ú That said, sustained efforts by the Government of Mexico against the Arellano cartel will continue and remain a primary focus of cooperation between our two governments. We ,ve made progress against other major cartels, both in Mexico and elsewhere, and we will persevere for as long as necessary to succeed against the Arellano cartel as well.

ú For any further reaction, I would refer you to the Department of Justice.

ADAMS VISIT
January 12, 2000

ú President will meet Gerry Adams today at 2:30 to discuss all aspects of the implementation of the Good Friday Accord. Taking stock. Talked to Blair yesterday. Met with Trimble earlier.

ú Adams had requested the meeting. President has been actively

engaged in promoting peace process.

ú Do not expect Adams to come out to the stake-out.

PROSECUTION OF WWII WAR CRIMINAL KONRADS KALEJS
January 10, 2000

BACKGROUND: Konrads Kalejs, an Australian citizen since 1957, fled Britain yesterday bound for Australia. He was deported from the U.S. in 1994 and from Canada in 1997 for the murders and persecution of tens of thousands of Jews, Roma and others in Latvia during World War II. Kalejs was found to be a former company commander in the Arajs Kommando Unit of the security police in German-occupied Latvia. After a recent television news program found him living in Rugby, England, and his subsequent departure from England before deportation proceedings against him were initiated, Jewish leaders in Britain have said there will be protests upon his return to Australia.

Kalejs was previously investigated by the Australian government for war crimes, but was not prosecuted. Australian prosecutors have said they have reviewed evidence in the possession of the USG but have found it insufficient to bring forward a prosecution. Latvian government representatives have recently said that they would seek to extradite him back to Latvia if there was sufficient evidence for a prosecution.

Does the U.S. have a view on whether Konrads Kalejs should be prosecuted for war crimes?

ú The U.S. wants to see Konrads Kalejs stand trial for war crimes in a country with criminal jurisdiction over him. Kalejs was found by a U.S. Immigration judge and a Court of Appeals judge to be responsible for the deaths and persecution of Jews, Roma and other civilians as a member of the "Arajs Kommando" Unit of the Security Police in German-occupied Latvia during 1941-1944. He was deported from the U.S. in 1994.

ú We understand that Kalejs is returning to Australia. We have seen press reports that the Government of Latvia has indicated its possible willingness to seek extradition, though they have not formally done so at this time.

ú The U.S. has already shared evidence with authorities in several countries. DOJ prosecutors are prepared to meet here in Washington with prosecutors from other countries to review the evidence in our possession.

ú This evidence was sufficient to convince several U.S. judges to deport Kalejs. Although deportation under U.S. law is a civil proceeding rather than a criminal one, the Government's burden of proof is the same, and we believe the evidence deserves a fresh review by prosecutors. The USG is prepared to assist in this effort.

What was the reason that DOJ did not prosecute Kalejs for war crimes when he was in the U.S.?

ú The USG can not bring a prosecution for crimes committed outside the U.S. unless there is a statute specifically authorizing it to do so, and at the time when the alleged war crimes were committed by Kalejs in Latvia, U.S. law had not established jurisdiction over such crimes.

ú (If pressed:) Even if Congress were to pass such a law today providing for the prosecution of war crimes committed by foreign nationals outside the U.S., it would be unconstitutional to apply that statute retroactively to crimes committed more than 50 years ago.

RUSSIA -- POLITICS UPDATE
January 11, 2000

BACKGROUND: Acting President Putin promoted Finance Minister Mikhail Kasyanov to the key post of first deputy prime minister. Former First Deputy Prime Minister Aksyoneko remains Railway Minister. He also dismissed Kremlin business manager Pavel Borodin, who has been implicated in the Mabatex scandal Putin promoted Emergencies Minister Shoigu to Deputy Prime Minister and reappointed Viktor Khristenko Deputy Prime Minister in charge of economy. Putin characterized reshuffle as temporary and &related to the pre-election situation. 8

Does Putin ,s appointment of Russian Finance Minister Kasyanov for the government ,s number two job signal the importance Putin places on relations with Western creditors?

ú Personnel choices are Acting President Putin's to make; not helpful for us to speculate on the rationale behind specific personnel decisions.

What does the government reshuffle mean for economic reform and crime and corruption efforts?

ú We welcome Putin ,s statements emphasizing the importance of democratic process, adherence to Russia's constitution and right to private property. We look to Putin not only to oversee democratic transfer of power from first democratically elected President of Russia to the next, but also to pursue meaningful progress towards developing a law-based state.

Any reaction to new government changes? Is Acting President Putin cleaning house and throwing out members of the old guard in the Kremlin such as Pavel Borodin?

ú Personnel choices are Acting President Putin's to make; not helpful for us to speculate on the rationale behind specific personnel

decisions.

ú Important that developments in Russia continue to unfold according to constitutional procedures; look now for Putin to oversee free and fair electoral process to select next democratically elected president of Russia.

Do you think that the head start Putin has received is healthy for Russian democracy and that the results aren ,t predetermined, because viable candidates simply do not have the resources and time to organize effective campaigns?

ú Not for us to handicap Russian elections. That is a choice for the Russian people. There will be more developments over the coming days and weeks.

ú Key point here is that procedures for electing a new president are laid out in Russian Constitution and those are being respected. Important that upcoming campaign be free and fair and that conduct of elections be consistent with international democratic norms.

ú Note Acting President Putin ,s statements emphasizing the importance of free and fair elections, democratic process, adherence to Russia's constitution, and freedom of speech and press.

Is the Administration worried that a Putin presidency will pursue more authoritarian approaches to domestic problems (such as crime and corruption) and greater nationalist adventurism abroad, leading to bloodshed?

ú Yeltsin ,s place in history is marked by the steps he and the Russian people took to dismantle the communist system and create an enduring democratic process within a constitutional framework.

ú Welcome Acting President Putin ,s initial statements emphasizing the importance of democratic process, adherence to Russia's constitution, and commitment to protect freedom of speech, conscience and press and right to private property.

ú Important that President Yeltsin's resignation occurred in accordance with Russian constitution. As Yeltsin said, his intent was to accelerate a competitive electoral process, not to circumvent it. Now look to Putin to oversee the democratic transfer of power from first democratically elected Russian president to the next.

ú As Putin himself has suggested, both Russian and international opinion about Putin will be shaped by his actions and steps taken by the Russian government. Hope Putin will act on this opportunity to set a strong reform agenda and pursue it.

RUSSIA/CHECHNYA
January 11, 2000

BACKGROUND: Russian soldiers lifted the suspension of air and artillery attacks on Grozniy and resumed attacks in Chechnya after a lull to mark Orthodox Christmas and the end of Ramadan. Intense fighting continues in southern Chechnya, and Chechen fighters over the weekend staged attacks on Argun, Shali and Gudermes, all of which had been under the control of Russian forces. The two primary Russian combat commanders in Chechnya, Major Generals Troshev and Shamanov, were reassigned to other positions.

Any update on Chechnya, Russian resumption of attacks in Chechnya and lifting of suspension of bombardment of Grozniy?

ú Our position has been consistent: military solution not viable, will lead to the kind of cycle of violence we now see emerging, urge both sides to exercise restraint, avoid indiscriminate attacks, engage in political dialogue.

ú Believe there needs to be immediate cease-fire across Chechnya, meaningful steps toward a political dialogue utilizing good offices of OSCE and durable political solution.

How do you respond to the criticism of President Clinton's characterization of Russia's campaign to "liberate" Grozny in his Time Magazine column on Boris Yeltsin?

ú The President made two very strong points in the article.

ú First, we have consistently recognized that there are terrorists in Chechnya, and that Russia has a right to combat terrorism. The President used the word "liberate" in this context. He also stressed that Russia's campaign in Chechnya is killing innocent civilians, and that we have a profound disagreement with the manner in which it is being conducted.

ú Second, he stressed that the issue at stake is even larger than the humanitarian tragedy inside Chechnya itself. If Russia's conduct in Chechnya becomes a model for how to deal with the complex problems of separatism and terrorism, if it chooses to address those problems solely by violent means, that will have profound implications for our interest in seeing Russia emerge as a stable, open society governed by the rule of law.

ú That's why the President has repeatedly urged Russian leaders -- President Yeltsin and Acting President Putin -- to resolve this crisis through dialogue.

Aren't you headed for a confrontation with Putin since he is the architect of Chechnya policy?

ú We are deeply troubled about Chechnya, but hope that the reality of the situation will sink in and that Putin will see the importance of

bringing this conflict to a peaceful conclusion as quickly as possible. It is in the interests of Russia to do so as well as Putin's -- especially with elections looming in March.

ú The ultimate test, however, will be Putin's leadership of Russia -- both in strengthening democracy and instituting difficult economic reforms. We'll need to wait and see how he defines and implements his agenda for Russia.

ú Believe that both sides in conflict should implement immediate cease-fire throughout Chechnya and launch meaningful political dialogue to resolve the conflict. Russia has an ongoing obligation to stop indiscriminate use of force against civilians, to provide for the safety of all civilians affected by the conflict, and to ensure that people who want to flee the conflict can do so.

ú We think Russians should seriously consider utilizing OSCE ,s good offices to help develop political dialogue. Also want to see reestablishment of OSCE permanent presence in region.

Some commentators note that Western complaints of Russia ,s actions have become an &empty ritual 8. Why not apply sanctions?

ú International community has spoken with one voice that purely military solution to Chechnya conflict is not possible, indiscriminate use of force against civilians is unacceptable.

ú Russia has heard our concern that its behavior is isolating it from the international community. Prime Minister Putin has acknowledged that Russia ,s integration with international community is a key national security concern for Russia.

ú As we look at effective levers to help bring the conflict to an end, we also need to be realistic about what will not work and when certain actions would be counterproductive since our economic engagement with Russia is fundamentally rooted in our self-interest to help Russia complete the transition to a market economy and safeguard sensitive technologies.

ú Russia has not yet met the conditions for IMF disbursements. If it does meet those conditions, we will make our decisions based on our national interests, including the impact on democracy and stability in Russia.

ú Regarding our bilateral assistance, two thirds goes to programs such as dismantling warheads, destroying missiles and protecting fissile materials; the vast majority of the rest goes to build civil society and promote change outside of Moscow. We continue to support these goals.

RUSSIA: EMBASSY SHOOTING

January 11, 2000

BACKGROUND: An unidentified intruder in fatigues entered U.S. Embassy compound in an apparent attempt to steal vehicle. The intruder gained entry to Ambassador ,s empty car. He was shot by Marine guard after refusing to stop. The intruder was taken to hospital, where he is in intensive care. Moscow authorities said two drunken soldiers were involved and they have arrested second suspect.

Was there a terrorist attack on the US Embassy in Moscow on January 10? Can you provide details?

ú At 18:50 Moscow time, a Russian-speaking intruder wearing military fatigues, apparently in his mid-twenties, gained unauthorized entry to the Embassy grounds, near the Chancery Building on Novinskiy Blvd. He was discovered by Embassy security personnel. He had gained access to an unlocked passenger automobile in the courtyard, seized it and began to ram other vehicles parked in the courtyard. He also tried to drive the car into pedestrians and guards, some of whom were forced to flee for safety behind barriers in the compound.

ú During this period, while security personnel moved all Embassy employees out of danger, US Embassy security attempted to stop the intruder. They repeatedly ordered him to stop the car; they tried unsuccessfully to open the locked door of the car and break the windows of the vehicle. Ignoring all orders to stop, the intruder continued to threaten the lives of those in the courtyard. Security persons on the scene could not determine whether the intruder was armed or had explosives. After all alternative measures failed, guards fired on the vehicle, wounding the intruder. They were then able to apprehend him and determine that he had no firearms or explosives.

ú The US Embassy immediately summoned the appropriate Russian investigatory team and called for Russian medical assistance and an ambulance. Until the ambulance arrived, US medical personnel provided emergency care tot he injured person, who remained conscious.

ú The incident ended approximately 2000 hours, without any injury to American or Russian staff of the US Embassy or other individuals other than the wounded intruder.

How did the intruder get onto the Embassy grounds?

ú We ,re still investigating how the intruder gained access. We can only confirm that he entered in an unauthorized manner.

Can you identify the intruder, why was he trying to get into the Embassy?

ú The investigation of the incident is in the hands of the Russian authorities and is on-going. The US Embassy is cooperating as fully as possible with the Russian authorities, within the constraints of usual diplomatic practice. We would refer you to the Russian authorities.

Will the US Embassy be conducting its own investigation?

ú Yes, Embassy investigation is already ongoing. In every case of an incident of this kind we think it ,s important to determine the facts, to insure that actions taken were appropriate, and to make recommendations for improvements, if needed, in procedures.

Some media reports say that two individuals entered the Embassy. Can you confirm that more than one person was involved?

ú We have seen press reports that a second individual who apparently tried to gain access to the Embassy has been apprehended by Russian authorities.

ú The Embassy has no independent information on this person and cannot confirm the report. This is one of the issues the ongoing Russian investigation will explore.

Do you believe that this is a terrorist incident or conspiracy? Has any group claimed responsibility?

ú The Embassy has no evidence of any kind that this incident involved more than the one or two individuals involved. No one has claimed responsibility. The Russian investigation, of course, will look at these issues as well.

Are you satisfied with the Russian response, with Russian protection of the Embassy?

ú The US Embassy wishes to express its appreciation for the professional assistance of the Russian authorities, both Federal and the City of Moscow. We will continue to work with these authorities to insure our security cooperation is as effective as possible.

CORRUPTION IN THE PALESTINIAN AUTHORITY
January 10, 2000

Do you have any comment on an editorial in the January 10, 2000 Washington Times, which criticizes the Palestinian Authority for widespread corruption?

ú We have seen these reports.

ú As we have said before, the issue of corruption is one which we view with great concern and have consistently raised with Palestinian Authority officials on a variety of occasions.

ú We have made clear to them that transparency and accountability are necessary in order to build civil society.

CHINA: NORMAL TRADE RELATIONS
January 11, 2000

Why has the Administration made a decision to sponsor a resolution on China at the UN Human Rights Commission?

ú Since the last meeting of the Human Rights Commission the human rights situation in China has deteriorated. China has suppressed political dissent and breached fundamental rights such as freedom of conscience, assembly, and expression.

ú Our goal in deciding to sponsor a resolution on China is to improve the human rights situation in China. Our hope is that the Chinese authorities will take tangible steps to bring their human rights practices into compliance with the International Covenant on Civil and Political Rights and other international obligations.

Is this decision designed to help persuade the Congress to approve permanent Normal Trade Relations status for China in connection with the WTO bilateral accession deal that the U.S. and China recently concluded?

ú The Human Rights Commission in Geneva is the appropriate international forum for bringing attention to bear on UN member countries' human rights situations. We decided to sponsor a resolution at the Commission based on deterioration in the human rights situation in China since last year.

ú As the President said yesterday in the context of our effort to secure permanent NTR status for China, we continue to have serious disagreements with the PRC on human rights and we'll continue to press our views and protect our interests.

ú Bringing China into the WTO will promote the right kind of change in China while at the same time serving the broad interests of the American people.

ú It will promote China's integration into the global economy and benefit American businessmen, investors, farmers, workers, and consumers as China reduces barriers to free trade.

ú WTO accession will encourage China to advance economic reform and deepen the rule of law.

CHINA: MILITARY-TO-MILITARY RELATIONS
January 6, 2000

Have US-PRC military-to-military relations resumed?

ú Having concluded our discussions with the Chinese regarding the humanitarian and property payments associated with the tragic mistaken bombing of the Chinese Embassy in Belgrade, we look forward to moving ahead comprehensively in our relationship with China.

ú Refer you to the Pentagon for comment on next steps in military-to-military relations.

Are relations back on track with China?

ú We have advanced many of our priority agenda items in U.S.-China relations, but have more work to do. We would like to see broader and deeper exchanges on human rights as well as nonproliferation and arms control, for example.

NMD DEPLOYMENT FUNDING
January 12, 2000

CONTEXT: The [AP] reports today (January 12) that the Administration will include an additional $2.2 billion for the deployment of a National Missile Defense in the President ,s next six-year budget for the Pentagon that will be submitted to Congress on February 7. The [AP] notes that a decision on whether to deploy an NMD will not be made until this summer.

POLICY

ú Committed to the development of a limited NMD system - designed to counter emerging rogue state threat. Decide this year whether to deploy.

ú Want to work with Russia on changes to the ABM Treaty required to deploy a limited NMD. Also want to get a START III, and see START II ratified in Moscow.

Do you have any comment on the decision to include an additional $2.2 billion in funding for deployment of a National Missile Defense in the Pentagon ,s FY 01-06 budget?

ú When the President ,s next 6-year budget for the Pentagon is

presented to Congress in early February, it will include funds that would be necessary should we later decide to deploy a limited NMD system designed to counter emerging rogue state missile threats.

ú The amount budgeted in the event we decide on deployment will stretch across a 6-year budget. The funds added this year will support deployment of an initial NMD system of 100 interceptors deployed at one site, with one ABM radar and a number of upgraded early warning radars.

ú No decision has been taken on whether to proceed with deployment: a decision on whether to deploy a limited NMD will not be made until later this year.

ú In short, adding this money does not represent a change in policy; rather, we are adding this money to protect preserve the deployment option in the event a decision is made to field a limited NMD.

What does this mean for the ABM Treaty?

ú It is our long-standing policy to conduct activities related to the development of a limited system designed to counter emerging rogue-state missile threats in full compliance with the ABM Treaty.

ú Deployment of a limited NMD would require modifications to the ABM Treaty. We are discussing this issue with Russia, seeking a cooperative solution on ABM that will preserve and strengthen the Treaty.

On what criteria would a deployment decision be based in the year 2000?

ú The Administration's decision will be based on four factors: (1) whether the threat is materializing; (2) the status of the technology based on an initial series of rigorous flight tests; (3) whether the system is affordable; and (4) the implications that going forward with NMD deployment would hold for the overall strategic environment and our arms control objectives, including efforts to achieve further reductions in strategic nuclear arms under START II and START III.

Won ,t this decision effect prospects for START II ratification in Moscow?

ú Adding this money to the FY 01-06 budget to protect the deployment option in the event a decision is made to field a limited NMD in no way changes the fact that ratification of START II remains in Russia ,s - and our own - national security and economic interest.

FORT CAMPBELL/DON ,T ASK DON ,T TELL
January 10, 2000

BACKGROUND: The trial of Army Specialist Justin R. Fisher concluded this weekend at Fort Campbell. This is the second court martial stemming from the death of Private First Class Barry Winchell, who was allegedly killed because of his homosexuality. Private Calvin Glover was convicted of murder in a previous court martial. Specialist Fisher was the roommate of Private Winchell and has entered a guilty plea on the charges of obstructing justice, making false statements, and providing alcohol to a minor. [The family of Private Winchell has filed suit against the U.S. Army, accusing it of failing to protect...) DOD is checking, but this is unconfirmed]

What is your reaction to this weekend ,s verdict in the Ft. Campbell court marshal of Justin Fischer?

ú This case is in the military justice system. Although there has been a guilty plea, the process is on-going and it is not appropriate for me to comment on the case.

This case raises questions about the safety of servicemen and women on U.S. bases. At Ft. Campbell, for example, underage drinking allegedly contributed to the violence that claimed Private Winchell ,s life. Are you concerned? If so, what are you willing to do to improve safety?

ú Of course, the safety and security of our servicemen and women on our military installations is a paramount concern.

ú The Army has committed to review compliance with policies and procedures that protect the health, safety, and security of its soldiers at Ft. Campbell . I strongly support any measures that improve the safety of our soldiers.

Doesn ,t this verdict further demonstrate that your &don ,t ask, don ,t tell 8 policy regarding gays in the military does not work?

ú As I have said before, our policy has not had a chance to work because it has not been fully implemented. I am committed to improving implementation of the existing policy rather than changing the statute passed by Congress in 1993. Secretary Cohen has already taken a number of steps to improve policy implementation, and I refer you to DOD for details.

CSIS STUDY OF MILITARY CULTURE
January 10, 2000

BACKGROUND: The Washington Post, New York Times and Washington Times reported today on a just-published study by The Center for Strategic and International Studies on &American Military Culture in the 21st Century. 8 The study, authored by retired Army Colonel Joseph Collins, reports survey results that found military personnel feel overworked and underpaid, lack the resources to carry out their missions, and lack confidence in their leaders (particularly in the senior military leadership of the services). It concludes that the leadership of the Armed Services) military as well as civilian) have not adjusted to significant changes in military demographics (large increase in married personnel and two-career families) and the impact of increased deployment rates in the post-Cold War world. That military personnel hold such views is well known in the Services and DOD, and strongly influenced recommendations the Joint Chiefs and Secretary of Defense made to the President regarding increases in pay and benefits. The Services have also made or initiated a number of changes in

personnel assignment policies, the organization of operational units, and management of rotational deployments in order to better cope with the demands of the post-Cold War security environment.

Points to be Made

ú First, would like to point out positive findings in the study that were not highlighted in this morning ,s articles. For example:

ú Peace operations and other small-scale contingencies are essential to the national interest and the study ,s findings do not argue against undertaking them.

ú Fundamental professional values are remarkably strong) military personnel today overwhelmingly subscribe to traditional military values such as self-sacrifice, discipline and obedience to lawful authority.

ú Quality and efficiency of joint operations have improved during the 1990s.

ú Services have made significant strides in more closely integrating plans and operations of their reserve and active forces.

ú Race relations in the armed forces are generally better than in the wider society.

ú Study raised two important issues that have been top priorities over the past two years: the quality of life and job satisfaction concerns of military personnel.

ú President cares deeply about the well being of men and women in uniform.

ú He meets with them whenever he can, abroad as well as at home. He talks with them and listens to their concerns. Has done this in Bosnia and Kosovo, and many other locations around the world.

ú He also meets with their families, as he did in Norfolk last year when he met with families of troops deployed to the Balkans. They do not hesitate to share their concerns with him.

ú President has full and complete confidence in the leadership and judgment of the Joint Chiefs of Staff, the Secretary of Defense, and civilian leadership of the services. They are aware of the challenges they face and are pursing a number of initiatives to address the concerns raised by the military personnel surveyed in the CSIS study.

ú President meets regularly with the Joint Chiefs and Secretary of Defense to hear their views on readiness and personnel issues. When they expressed concerns about readiness and personnel, he took action.

ú As study notes, defense resources are an important issue. President has often stated his commitment to ensuring that our men and

women in uniform have the resources they need to carry out their mission.

ú President requested supplemental appropriations in fiscal years 1998 and 1999, and increased funding for readiness, personnel and other critical accounts by $12 billion in fiscal year 2000.

ú Over last six months, have seen encouraging signs that we are turning the corner on readiness. Although our Armed Forces still face readiness challenges, particularly in recruiting and retaining skilled individuals, Administration initiatives are helping us achieve our readiness goals.

ú President ,s budget also projects continued increases in defense spending) over $112 billion through fiscal year 2005) the first sustained, long-term increase in a decade.

ú Quality of life and job satisfaction concerns of military personnel are also being addressed.

ú President requested and signed into law significant increases in pay and benefits in his fiscal year 2000 budget.

ú Services are pursuing a number of initiatives to better manage the increase in peacetime deployments that have marked the post-Cold War world.

ú They are implementing improved personnel assignment and unit rotation policies, and are exploring further changes) including organizational changes) to better manage operational tempo and reduce the impact of deployments on military personnel.

ú I refer you to the Defense Department for details on those changes.

ú Challenges remain, but these are important steps in the right direction.

ú President is confident that America ,s Armed Forces are) and will continue to be) capable of carrying out our national strategy and meeting America's defense commitments around the world.

INSTITUTE FOR INFORMATION INFRASTRUCTURE PROTECTION
January 10, 2000

CONTEXT: In December 1998, the President ,s Committee of Advisors on Science and Technology (PCAST) proposed to the President that the government establish a new institute to address pressing information infrastructure protection needs. In his response to PCAST, the President directed OSTP and NSC to further evaluate the proposal in close consultation with the private sector. The Administration ,s detailed review of the proposal, which included discussions with numerous experts in government, the private sector, and academia, concluded that there is a need for such an institute, and that existing entities are not conducting the research and other technical activities needed to protect our

information infrastructure. In a capstone meeting, the Chief Technology Officers from 15 of the nation ,s leading information technology corporations unanimously agreed that such an institute is needed to develop key technologies for information infrastructure protection.

Today we announced that we will request $50 million for the Institute in FY01. The Institute will be operated through the National Institute of Standards and Technology, and it will work directly with the private sector and academia on crucial problems such as intrusion and malicious code detection.

Why is such an Institute required?

ú During the Administration ,s review of PCAST ,s proposal, we contacted well over 100 leaders and specialists in information technologies in the government, private sector, and academia. We were particularly concerned with whether existing institutes and laboratories, both inside and outside of government, were already satisfying requirements for information infrastructure protection research.

ú The overwhelming response was that key research areas are not being adequately addressed by either government or the private sector. Furthermore, there is insufficient market demand to drive private sector research investments in these areas) even though they are vital to the protection of the nation ,s information infrastructure.

Isn ,t the Department of Defense currently funding considerable research in information security? Can ,t DoD ,s investments adequately protect the nation ,s information infrastructure?

ú DoD is making substantial investments in information security programs. However, the focus of DoD ,s efforts are related to the agency ,s mission: national defense. Our current concern is broader than national defense *we must protect the entire national information infrastructure upon which our economic and national security rest.

ú Furthermore, DoD does not have the mandate to protect the largely civilian owned- and operated information infrastructure. While it is important that DoD-funded and developed technologies are applied to protect our national information infrastructure to the maximum degree possible, defense technologies and investments cannot do it all.

Why isn ,t private industry developing the technologies to protect its own infrastructures? Is this a duplication of effort?

ú The private sector is investing substantially in advanced technologies to protect the information infrastructure and ensure its robust, reliable operation. This investment is essential as we move into an information-age economy. However, market forces alone will not motivate the private sector to invest in all the research and technology development needed to protect our nation ,s information systems.

ú During our analysis of PCAST ,s proposal, the private sector ,s message was clear: the government must not duplicate existing R&D, but must fill the &gaps. 8 These gaps are real and pressing.

ú The reasons why private sector investments are insufficient are many: some of the needed technologies are very high risk or ill-defined; some will require substantial investments in time, personnel, and facilities; some may not lead immediately to products on the market; and others will not produce benefits that the investing firms can capture.

Can you give us some examples of programs in which the private sector is not willing to invest that would be right for the Institute?

ú Intrusion detection and monitoring. While there are numerous intrusion detection products on the market, there are a number of fundamental intrusion detection research issues that are ideally suited for the Institute: detection on large scale networks, data fusion from multiple sources, frameworks and protocols that enable different products to &talk 8 to one another, interfaces with human operators, to name a few.

ú Malicious code detection. Sorting through thousands or millions of lines of computer code to detect malicious code such as trapdoors and logic bombs is an extremely challenging technical problem. However, it is essential that we have an automated capability to detect and eliminate such code from our critical infrastructures.

ú Interdependencies. The information infrastructure is a fabric that weaves together many of our nation ,s critical infrastructures. As one example, automatic control of electrical grids, which is particularly important in this era of deregulation, relies upon robust, secure, and continuous operation of information networks. However, very little government or private sector research is devoted to understanding these interdependencies among the infrastructures. Given the innumerable, crucial linkages and dependencies that permeate our infrastructures, interdependencies research is a prime candidate for the Institute.

ú Large scale testbeds. Large scale testbeds for testing new, advanced technologies do not exist, and few network owners would be willing to test new technologies on &live 8 networks. The Institute could develop and operate testbeds in a &neutral environment 8) similar to an Underwriters Laboratory.

How do you envision making an Institute in the government fully responsive to the needs of the private sector?

ú The Institute will have multiple customers, including the private sector and government owners and operators of information networks. The Institute must be designed from the onset to be flexible, nimble, and responsive to each customer. The Institute will coordinate closely with and receive inputs and recommendations from the National Infrastructure Assurance Council, Sector Coordinators, and expert teams from the private

sector. Furthermore, the Institute would continuously review its programs with these private sector experts to ensure the relevancy of its research agenda.

Will this Institute perform its own research or require a new laboratory facility?

ú A key consideration for the Institute is that it engage the best and brightest minds in information security. Consequently, the Institute will consist of a small, expert core staff and will primarily support research done by the technology leaders, whether in industry, academia, or the government.

Security Files
January 12, 2000

An article in Saturday's Washington Times called "Clinton Aides Accused of Snooping in Files" is based on an affidavit from Deborah Perroy, a former NSC admin assistant, which says she "caught" Bob Manzanares (former NSC admin) and Marsha Dimel (then his secretary and still on staff) going through the security files in the "CIA Liaison's Office."

Is this true? Is this appropriate?

ú While the NSC does not have a "CIA Liaison" per se, we do have a security officer on detail from the CIA whose job in part is to liaise with all government agencies on security clearance issues for NSC employees and detailees.

ú His office is in the Administrative Directorate, and his supervisor is the Senior Director for Administration. It is not unusual for the supervisor, particularly in the absence of the security officer, to access the security files, either to exchange clearance information with other government agencies (allowing NSC staff to attend classified meetings elsewhere) or to remove older files no longer regularly needed for secure storage.

ú It is also not unusual for the secretary or personnel officer to assist.

The article also alleges that the office holds files on all senior administration officials, is this true?

ú NO) the Administrative office only have files on NSC employees. It does maintain the files on all former national security advisors in the office, since we maintain active security clearances for these individuals.

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jubilee 2000 Director (Jubilee 2000 Director [UNKNOWN])

CREATION DATE/TIME:14-JAN-2000 18:29:13.00

SUBJECT: letter to the President re State of the Union message

TO: Maureen T. Shea (CN=Maureen T. Shea/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TEXT:
January 13, 2000

President William Jefferson Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton,

I call on you to include the vital subject of debt cancellation and the Jubilee 2000 Campaign in your State of the Union Address this coming January
27th.

I applaud you for your commitment to cancel 100% of bilateral debt owed to our country and for reaching an agreement with Congress that will allow the International Monetary Fund to revalue their holdings in gold, putting the money into a fund to be used exclusively for multilateral debt cancellation.

I feel sure you would want to invite the Congress to continue that bilateral
cooperation this year especially since the governments of Great Britain and,
most recently France, have announced new steps towards debt cancellation, following your Administration ?s initiative.

What better way to signal a forward looking, visionary approach to this New Millennium than to cancel the unpayable debt which causes so much suffering to families in Africa, Latin America and Asia.

You mentioned, in your September speech before the IMF and World Bank, how the Pope and many religious leaders have called on us to do just that. I trust that you know that since then the Rev. Billy Graham, and Pat Robertson
have spoken on the issue and that Archbishop Desmond Tutu has once again raised his voice in support of the Jubilee 2000 Campaign in his Christmas sermon at the National Cathedral.

One other suggestion, if I may. I know that you traditionally have had some

special people in the Gallery, accompanying the First Lady. I would like to recommend that you invite Rev. David Duncombe, a retired pastor of the United Church of Christ from White Salmon, WA. This last fall he fasted for forty-five days here in our Nation ?s Capitol, visiting Congress each day to show the members what happens to the victims of unjust foreign debt in the world ?s most impoverished countries. At the end three member of Congress joined him for a day of fasting. He symbolizes the many people of faith, and others, who see this Campaign as a principled, spiritual commitment to their starving sisters and brothers, and not as just a political or economic issue.

Thank you for your consideration of these suggestions and I look forward to hearing a clear call for debt cancellation in this Jubilee Year of 2000. If you were to mention the Jubilee 2000/USA or the international Jubilee 2000 Campaign, that would be most special.

Sincerely,

Daniel P. Driscoll-Shaw
National Coordinator

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: STATE_Media_Reaction@notesmail1.usia.gov (STATE_Media_Reaction@notesmail1.usia.gov [UNKNOWN])

CREATION DATE/TIME:28-JAN-2000 14:38:22.00

SUBJECT: Issue Focus: ECUADOR COUP

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TO: cowartm@panet.us-state.gov (cowartm@panet.us-state.gov [UNKNOWN])
READ:UNKNOWN

TEXT:

In advance of today's breaking news that Ecuadorean military officers who led the overthrow of President Jamil Mahuad last weekend have been detained, foreign media commentators this week generally condemned the upsurge of "militarism," but focused much attention on Ecuador's domestic corruption and poverty as underlying causes of the rebellion. The U.S. diplomatic intervention in favor of civilian rule was widely reported in news articles in the Ecuadorean press and elsewhere, but was not the focus of most editorials. Many pundits saw the new government of President Gustavo Noboa as facing severe tests, and some were pessimistic that further social explosions could be avoided. Key points follow:

VIEWS FROM QUITO: In the initial aftermath of the coup, leading dailies demanded "unconditional respect for the constitutional order" and lamented a return to "times of dictatorial adventures we believed were gone forever," but many pundits saw the domestic elite's corruption and failure to ease poverty as the backdrop for the uprising. Leading, centrist El Comercio said, "Let's hope the elite has learned that the best form of government is one that satisfies the demands of its citizens in order to avoid destabilizing confrontations." Some commentators argued that Ecuador's cooperation with U.S. anti-drug efforts--several mentioned U.S. use of the Manta air base--and its strategic position in "the most conflictive zone in Latin America" justified the creation of "a sort of Marshall Plan" to rescue the economy. Several analysts criticized the IMF, arguing that it had pressed former President Mahuad "until he was left without margin for internal maneuver" and said the IMF's support, "so long awaited by President Mahuad, has still not materialized." Analysts said the attempt to "grab power" by the indigenous movement--which cooperated in the military rebellion--was its "biggest mistake" because the movement's very existence depended on a democratic order. One daily argued, however, that Ecuadorean Indians "used the wrong method, but their claims are legitimate."

VIEWS FROM THE REGION: Pundits in Chile, the Dominican Republic, Honduras, Panama, Peru and Venezuela criticized the resurgence of "militarism" in Ecuador. They noted the "quick international reaction" as evidence that "it is increasingly difficult to remove a civilian government" and argued that "bringing down Mahuad does not solve Ecuador's structural problems." Many

analysts, however, focused as above on corruption and social inequalities as causes of the uprising and saw them as daunting challenges facing President Noboa's government. A minority of commentators vigorously criticized neo-liberal economic policies and Mahuad's "dollarization" plan. Arguing that "dollarization would be insanity," liberal Folha de Sao Paulo held, "Ecuador has become a guinea pig for testing new experiments." Pundits in Mexico and Venezuela said the indigenous movement was "used" by "military conspirators."

ELSEWHERE: Calling Ecuador a "failed state," Madrid's liberal El Pais maintained President Noboa's continuing the "dollarization policy" of his predecessor would have an "adverse impact" on the poor but "the authorities in Quito have few options left open." Moscow's reformist Izvestiya argued that the Ecuadorean military "had to accept Noboa in the face of U.S. pressure" and asserted that "Noboa is sure to pursue a pro-American economic policy."
EDITOR: Bill Richey

EDITOR'S NOTE: This survey is based on 65 reports from 19 countries, January 22-28. Editorial excerpts are grouped by region; editorials from each country are listed from the most recent date.

WESTERN HEMISPHERE

ECUADOR: "And When Does The U.S. Make Its Move?"

Quito's leading, centrist El Comercio had this by Editor-in-Chief Jose Hernandez (1/27): "What did the country get in exchange for the Manta base? Only trouble? What did it get out of being dragged into a regional strategy against drug trafficking, which poses the risk of retaliation from the Colombian guerrillas?... Ecuador understands its regional obligations and its government has shown a willingness to assume the costs. But if Washington wants regional stability, it cannot be inspired only by its own needs. Ecuador also has an agenda comprised of urgent matters which, if not addressed, could play havoc with U.S. priorities in the region.... Domestically, the elite knows that it is responsible for the present tragedy of the country. We have to negotiate with the United States and the international organizations a sort of Marshall Plan to pull the country out of this predicament. Mexico received aid; Brazil had the same treatment.... Applying our internal efforts and also negotiating

external
aid seem to be urgent and necessary tasks for the new government. The time has
come for the country to negotiate support, demanding due reciprocity."

"Let's Advance, With Transparency"

Leading, centrist El Comercio had this editorial (1/27): "The terrible events
of the last few days are a call to foster national recuperation in an
environment of transparency. The motto from now on: advance our fight against
corruption."

"We Must Learn Our Lesson"

Leading, centrist El Comercio had this opinion column by Eduardo Galarraga
(1/27): "Let's hope the elite has learned that the best form of government is
one that satisfies the demands of its citizens in order to avoid destabilizing
confrontations, and that it is fatal to give priority to demands by pressure
groups while disregarding the wishes of the majority."

"The Rebels"

Leading, centrist El Comercio had this column (1/27): "It is not an
exaggeration to say that we have hit rock bottom and that we cannot continue
like this any longer. Dollarization was a kick given by a drowning Mahuad, so
much so that public opinion was convinced that it was a decision made overnight
and haphazardly. The credibility of the president, after a brief recovery,
nose-dived and he had to leave. Such a launching of the dollarization
project--and not dollarization per se--was the crucial factor that resulted in
the trampling down of the country's institutions."

"The International Effect"

Guayaquil's (and Ecuador's) leading center-right El Universo had this main
editorial (1/27): "The events in Ecuador have moved beyond our national
borders and demand a reconciliation, at the continental level, between the
necessity for globalization and the demands for social justice in our
countries.... There is a need for strategies aimed at reconciling the
historical demands of globalization with the social situation which has been
neglected in order to secure the world peace."

"Reconciliation And Solidarity"

Quito's center-left, influential Hoy had this front-page editorial (1/27): "The challenges are enormous. Ecuador needs to renegotiate with the holders of external debt. The IMF support which was so long awaited by President Mahuad has still not materialized."

"Threat From Washington Did Count"

Leading, centrist El Comercio said (1/26): "The diplomatic intervention by Washington during the coup in Ecuador that toppled President-elect Jamil Mahuad during the last weekend was constructive, said the New York Times yesterday. In an editorial devoted to the events, the daily reminds everyone that military meddling in politics has become rare in Latin America during the past two decades. But Ecuador is a conspicuous and worrisome exception because this is the second time in less than three years that an Ecuadorean elected leader has been prematurely toppled from his position."

"Washington's Blindness"

Leading, centrist El Comercio had this by Editor-in-Chief Jose Hernandez (1/26):
"What benefit did the IMF get by pressing Mahuad until he was left without margin for internal maneuver? What did it get by restricting funds in such a way that it forced former President Mahuad to play the last card he had up his sleeve--dollarization? How costly is it for Washington if the instability which could result could lead to situations such as the ones in Colombia and Peru? How much money has Clinton given to Andres Pastrana for weapons and how many stingy dollars have the international organizations denied Ecuador for social policies? What blindness is this by a partner who even got a base in Manta!"

"Subversion From The Bottom"

Leading, centrist El Comercio had this editorial (1/26): "The country's image is very damaged.... Ecuador needs foreign investment or, at least, foreign credits to revamp an economy which has been further damaged by the crisis. Only confidence will be able to allow dollarization and those processes aimed at cleaning up the economy to be successful."

"What Do We Expect From Noboa?"

Guayaquil's centrist Expreso had this opinion column by Byron Lopez headline (1/25): "[Naboa] must do everything needed to sign an extradition treaty with the United States so that country can send back all those white-collar thieves who are now strolling on the beaches of Miami while the Ecuadorean people starve to death.... He must relieve the anguish suffered by thousands of Ecuadorean households damaged by the seizure of their savings, which was camouflaged under the term 'freezing.' These were criminal measures taken by Mahuad and Ana Lucia Armijos to repay favors to dishonest bankers. President Noboa should devote much of his energies to this matter and return those funds to Ecuadoreans. There are neither legal nor logical explanations for what happened."

"The Delicate Military Subject"

Leading, centrist El Comercio opined (1/25): "Corruption was censured by the military and indigenous people alike, but with a subversive and undisciplined attitude. We cannot overlook the fact that corruption is regarded as the state of the whole country, erroneous and dangerous as that is. It is positive that President Noboa has announced his personal intervention to face this scourge. In addition, we require concrete and well-designed actions to show that the country does not want corruption any more."

"The Perspectives Of The Indigenous Movement"

Center-left Hoy had this opinion column by Carlos Arcos Cabrera (1/25): "The attempt to grab power against democracy, or at its margin, is the biggest mistake made by the indigenous movements.... The indigenous movement was made possible by democracy, grew up with it, and has made important contributions to it."

"Everything Or Nothing? Nothing"

Center-left Hoy had this opinion column by Felipe Burbano de Lara (1/25): "Why

pit the Indians against democracy when their movement has grown and become legitimate in a democracy? The indigenous movement was perhaps the only demonstration that this democracy--so despised by leftists--can still generate some participation opportunities in order to fight for increased rights."

"A Failed Coup, A Number Of Winners And Losers"

Leading, centrist El Comercio had this column by Editor-in-Chief Jose Hernandez (1/23): "The indigenous movement [CONAIE] is the biggest loser in this failed coup.... In the end, CONAIE had eyes bigger than its stomach: It wanted to become the government without having the foundation, the alliances, or the needed support. To change this mentality to a more democratic stance is one of the challenges it will have to face in the future.... The elite lost again: CONAIE used the wrong method, but their claims are legitimate. The elite trembled again in the face of the actions from the most forgotten and neglected section of the population. It is still not clear whether this shock will awaken the social conscience of the leadership."

"The Independence Of The President"

Guayaquil's (and Ecuador's) leading, center-right El Universo judged (1/23): "Only profound institutional reforms and the concrete injection of immediate international financial assistance will help regain stability in Ecuador.... Ecuador is part of the most conflictive zone in Latin America and consequently deserves strategic attention due to highly volatile processes. The United States, in particular, will have to be consistent with the position Ecuador adopted lately, especially because of the agreement granted to use the Manta base, and its alignment with U.S. foreign policy. It will be necessary for the presidents or ministers of foreign affairs from friendly countries to meet in an extraordinary session in the Ecuadorean capital. It is of the utmost importance to demand, effectively and immediately, extraordinary financial assistance. Otherwise, the Ecuadorean situation will be unmanageable."

"Another Week Starts"

Quito's leading, centrist El Comercio had this editorial (1/24): "We need to preserve peace, work, and justice, without losing sight of the urgency to

examine the underlying reasons for the actions that have been taken and their
reverberations."

"Democracy: Amidst Abuse And Coups"

Leading, centrist El Comercio had this opinion column by Fabian Corral (1/23):
"The coup evidenced the cracks in the country, the fragility of our democracy,
the perversity of the blockades, and the institutional crisis which also ensnared this time, regrettably, the armed forces. It was shown that ours is a
democracy trapped amidst the blockade by its political parties, the selfishness
of the elite, and by sieges by social movements."

"The Country And A Dictatorial Adventure"

Leading, centrist El Comercio had this four-column editorial (1/22): "The country listened astonished as the dramatic journey of yesterday...took us back
to the times of dictatorial adventures we believed were gone forever.... What
happened yesterday is a regrettable return to eras that seemed forgotten. The
anguish of the crisis and of national problems cannot lead us to self-defeating
extremes."

"Defense Of The Constitution"

Center-left, influential Hoy observed in this front-page editorial (1/22):
"This daily rejects the imposition of a dictatorship in Ecuador. The country
demands unconditional respect for the constitutional order. Nobody has authority
beyond that order. No group can place their own interests over those of the
country."

"In The Face Of National Commotion"

Guayaquil's (and Ecuador's) leading center-right El Universo had this editorial
(1/22): "The Ecuadorean people, due to the lack of historical perspicacity,
have elected over and over again the same political class, which impoverished
and corrupted the state; the same ones that mocked the call for independent justice, for free participation by independents, and for a new system of

individual election. The majority of the Ecuadorean people wants to maintain the constitutional order. But the political rules of our society need profound changes; otherwise institutional stability, let alone the emergency economic plan we need so badly, will be impossible."

ARGENTINA: "Confusing End In Ecuador"

An editorial in leading Clarin read (1/27): "It is not simple to know if whathappened in Ecuador...has been an institutional solution or a coup d'etat. The most painful thing is that, under the current circumstances, it is of little importance to know if it is one thing or another, taking into account the situation of virtual anarchy and economic and social chaos overwhelming Ecuador.... After its war with Peru and the climatic catastrophe caused by El Nino, Ecuador suffered the worst economic crisis of the century and a permanent political instability.... Little has changed in Ecuador after its president was overthrown. Noboa's precarious government will have to act in a more than tight corridor to satisfy both economic power and social groups in crisis. Meanwhile, the support--through a referendum--to the autonomy of the province where Guayaquil is located and the appearance of the indigenous movement are new elements which should not be disregarded in the difficult situation of Ecuador's democracy."

"The Ecuadorean Mirror"

An editorial in daily-of-record La Nacion read (1/25): "The continental political leadership should not sleep quietly--something is happening in Ecuador and other Latin American countries, and an easy passport to optimism is not taken for granted. In many countries in the region, the imperfect traditional social and productive balance is falling to pieces, and after that there is a horizon of uncertainty.... In a notorious and reiterated way, the answers rehearsed vis-a-vis this process are in many cases riskily immature. In Quito and Guayaquil, those answers have become popular uprisings, but in other places they took the form of 'caudillos'...or outdated populist movements or attempts of authoritarian democracy...like in Venezuela or Peru. For the moment, and maybe for a long time, the main duty of our societies will be to look for the reason for those disturbing effects."

BOLIVIA: "Ecuador: Back To Zero"

Pro-business La Razon had this comment (1/24): "What is left for the successor to do is to continue with such plans ('dollarization' has the support of international organizations) and confront the structural problems of Ecuador and the true reasons for the crisis. He must eliminate subsidies on hydrocarbons; downsize the growth of the state; lower import tariffs; free the price of the dollar, in case they do not adopt it as their currency; promote individual activities; support exports and move forward towards privatization of state enterprises."

"Coup, A Time Bomb"

Catholic-church owned, left-leaning Presencia said (1/24): "The violence and the break of the constitutional order in Ecuador demonstrate that neo-liberalism is ineffective in resolving the serious economic and social problems generated by the economic model. If the leaders of Latin America do not propose urgent solutions to the social problems, the movement in Ecuador could be the start of similar actions in the hemisphere."

"Military-Indigenous Coup"

Church-owned, left-leaning Presencia (1/23) had this comment by Jose Gramunt:
"We all knew that an indigenous uprising against the 'establishment' was being generated. The unpredictable factor was the military participation in the coup.
The causes? The economic crisis that the government, now outcast, didn't know or couldn't overcome, the 'dollarization' only in favor of the powerful, the fixing of savings accounts and trusts, the ample corruption. Last but not least, the abysmal social/economic differences--a remote but sustained cause--repeated in all of Latin America."

BRAZIL: "Tragedy In Ecuador"

Liberal Folha de S. Paulo's economic section said (1/28): "Ecuador has become a guinea pig for testing new experiments and old ideas that have failed in other

nations. Even so, the financial market has reacted positively.... Behind the market's optimism, there is a growing conviction in the Northern Hemisphere that the Southern Hemisphere nations do not deserve their own currency.... Dollarization would be insanity. Probably the process would never begin, since it is hard to imagine the United States signing a treaty making the Treasury and the Fed suppliers of bills and coins to other nations.... It is equally insane to think that a sovereign nation will only assume fiscal responsibility if it refrains from carrying out its own economic policy. It is the same colonialist view of the 15th century.... To think that dollarization would be successful in Ecuador does not make the slightest sense."

CANADA: "Strange Coup D'
?tat"

Editorialist Fr?d?ric Wagni?re commented in centrist, French-language La Presse (1/25): "President Noboa, who has adopted the dollarization project, could be faced with a new insurrection by Indians and poorly paid soldiers, if he is unable to bring a spirit of honesty and financial rigor to a country not used to such habits. A very tall order."

"On The Razor's Edge"

Editorialist Serge Truffaut of the liberal, French-language Le Devoir wrote (1/25): "If President Noboa does not fine-tune the financial policy of his predecessor, then last Friday's uprising will only have been the prelude to a large-scale social explosion."

CHILE: "Lessons Of A Coup"

Government-owned, but editorially independent La Nacion held (1/125): "The quick international reaction seems to show that it is becoming increasingly difficult to remove a civilian government and not be punished. It is evident that anti-democratic actions will have to answer to the world.... It is therefore particularly encouraging that not only the international community, but the people of Ecuador themselves condemned the attempted coup, leaving democracy as the means to resolve their problems."

"Coup In Ecuador"

Leading-circulation popular, independent La Tercera judged (1/25): "The international community's rejection of the coup must stand as a lesson.... In today's world there is no place for abuses. Without the threat of international rejection, the continent could have today two authoritarian regimes, one in Paraguay and the other in Ecuador.... The threat of international isolation and rejection is a deterrent."

"Speaking Of Ecuador"

Independent El Metropolitano (1/23) ran this editorial: "After a century characterized by the bad experience of having different kinds of dictatorships, it is evident to mankind that liberal democracy is the best way of resolving conflicts and of organizing cohabitation. On the other hand, the events in Ecuador also demonstrate that the consolidation of democratic systems require appropriate attention to resolving social demands."

DOMINICAN REPUBLIC: "Disturbances"

Top-circulation, left-of-center tabloid El Nacional opined (1/26): "No matter how hateful [his] economic policy was and how heartfelt were the requests of popular groups, the coup d'etat that just happened in Ecuador against President Jamil Mahuad deserves the strongest repulse.... Democracy has, however, other institutional mechanisms to solve political conflicts...without having to resort to the odious interruption of the establishment through the hateful coup d'etats."

HONDURAS: "Historically Excluded Interrupted Latin American History"

Conservative El Heraldo commented in its full-length editorial (1/24): "Despite a global society, in which supposedly there exists only one form of thought as to how to govern and a consensus over formal democracy, the historically excluded, whether rightly or wrongly, have interrupted contemporary Latin American history to show that everything really isn't going well and that many things remain to be reviewed and amended."

"Militarism No Longer Has A Place"

Liberal La Prensa noted (1/24): "What has happened (in Ecuador) shows that

militarism no longer has a place in our America. No other option exists for these people to carry out the changes needed than the democratic road. Militarism is a page from the past.... Let's hope that Ecuador...looks for development options which will consolidate democracy and distance it from the danger which coup d'etats represent."

"We Cannot Separate The Economic From The Political"

Independent El Nuevo Dia said (1/24): "Some nations, such as Chile, have learned how to handle the transition (to a market economy) with efficiency and stability, while others, like Ecuador, have not been able to manage the transition in an appropriate manner. The principal

reason being that these latter countries have wanted to have the best of both worlds. That is to say, to continue with statism while at the same time promoting free markets. This contradiction is exceedingly dangerous as it paralyzes the economy and discourages both domestic and international investment.... The accelerated unemployment, increasing poverty and social instability which emerged under the government of President Mahuad are signs that tell us that in our countries, Honduras included, we cannot separate the economic from the political; and as a result, a great effort must be made to obtain stability and growth.... The decision of the Ecuadorean military, induced through international pressure, to annul the junta and deliver power to the vice president of the Republic in Ecuador indicates that the soldiers understand that we live in different times. But the consolidation of democracy, there as in the rest of Latin America, will require an intelligent and efficient struggle against insecurity, poverty and the marginalization of large majorities. The message is perfectly clear--will the political leaders in this part of the hemisphere listen?"

"A New Chapter Of Uncertainty"

Conservative El Heraldo said in its front page mini-editorial (1/22): "Another president has been 'dethroned,' opening up a new chapter of uncertainty, of electoral promises, of demagogy and irresponsibility. The only thing that is clear from Ecuador is that it is an example that the other nations of the continent must not follow and that it is foolish to return to the field of economic experiments which only serve to add fuel to the fire."

MEXICO: "Bad Omen"

Independent Reforma carried this column by opposition politician Felipe Calderon (1/27): "It is astonishing how easy the coup d'etat in Ecuador was generally accepted all over the world. This is a bad omen for a century where democracy is supposed to prevail.... The manipulation of the indigenous people was the trademark of the coup. The Ecuadorean armed forces camouflaged their real objectives behind the indigenous demonstration. This strategy succeeded outside Ecuador. The news abroad spoke mostly about an indigenous rebellion, not of a military coup.... With regards to the Ecuadorean economy, Mahuad's decision to dollarize the economy was the straw that broke the camel's back, particularly because he did not have the political support to implement it. In 1983, the Israeli Finance Minister had to resign after having suggested the dollarization of the Israeli economy.... This is a touchy issue not only in economic terms, but also because it has to do with other factors such as national identity, history, political institutions and what are the long-term goals of the country."

"Drama Of Indians"

Nationalist/independent El Universal (1/26) carried this by Eugenio Anguiano Roch: "This could be a comic episode in Ecuador's history were it not for the drama of the Ecuadorean Indians and of the poorest in urban areas. The coup was orchestrated by the armed forces, by the powerful and influential financial sectors and by the most conservative political elements.... Facing the possibility that general Carlos Mendoza could install himself permanently in power, Washington made it sure that general Mendoza would take a step backwards and that he would restore a democracy that has proven so far to be very weak and ineffective."

"A Call From Washington"

Nationalist/pro-government Excelsior (1/26) ran this piece by Jeanette Becerra Acosta: "It is simply absurd for a general who has staged a coup to announce shortly thereafter his resignation and also his retirement from the military to

attend personal matters--unless, of course, he receives a call from Washington."

"Who Used The Indians?"

Left-of-center La Jornada (1/25) carried this by Pedro Miguel: "The recomposition of power as a result of the coup yielded benefits for the army,
for the economic and political influential classes and also for investors. However, those who left their sweat in the roads leading to Quito and who were
exposed to the possibility of having been repressed got no gain at all. Who
used them?"

"The Nightmare Is Not Over"

Independent Reforma (1/25) carried this column by Sergio Sarmiento: "Clearly,
the nightmare in Ecuador is not over yet. The old populist sympathizers in Ecuador--as in Mexico--will use the indigenous as the pretext to impose economic
measures that are doomed to failure. At the end, the victims will be the poorest--as they always are."

"Crisis In Ecuador"

An editorial in nationalist La Cronica (1/20) stated: "In an absolute unusual
and desperate development several indigenous groups have requested the ousting
of the government and the army to take over power.... Those who have participated in the demonstrations have called for a return to a populist regime. We could say that the shadow of Hugo Chavez is present. It will be
very difficult to convince them that this is not the way out after so many years
of suffering."

"Mahuad, Too Little Too Late"

An editorial in left of center La Jornada said (1/20): "Mahuad has been left on
his own by the IMF after declaring a moratorium on Ecuador's foreign debt service, thus he is trying gain some breathing room by selling Ecuador's oil
almost at any price to any buyer.... The fact remains that those Latin American
governments who are stubbornly furthering the application of neo-liberal formulas bring about permanent sacrifices on the population. They should look
at themselves in Ecuador's mirror and act accordingly--that is, to mend

their
ways."

PANAMA: "Ecuador's Lesson"

Tabloid El Siglo had this column by Adolfo Benedetti (1/28): "Seen from the Panamanian perspective the problems in South America are a sign for our governments and the political sector in general, concerning the frailty of their
power, which does not resist the weight of popular pressure.... The events in
Quito may create a political wave of fatal consequences for the democratic balance in the rest of the hemisphere.... The lesson should be taken by Panamanians as a sign to reorganize our work and state priorities to avoid a
coup that may throw overboard, the leaders of our nation that need to shape
up."

"Military Coup Attempt Causes Instability In Latin America"

Conservative El Panama America had this by Henry Raymont (1/24): "This most
recent, dramatic episode for Ecuador at the verge of an economic abyss shows the
specter of instability of Latin America...at the dawn of the 21st century. Just
as dramatic was the international rejection of the coup."

"Mahuad Overthrown For Incompetency"

Independent El Universal de Panama's front page editorial column commented (1/23): "The [U.S.] interest in keeping Manta's Air Base forces them to keep a
measurable and cautious attitude. Mahuad has been overthrown for incompetency
for promoting neo-populism not based on the productive capabilities of the people, but in a poor Third World paternalism.

Panama should take a close look Latin American armies are famous for military
coups Although painful, we should remember this when thinking of re-militarizing the country "

"Serious Turn For Latin American Democracy"

Conservative El Panama America had this editorial (1/23): "The ousting of Ecuadorean constitutional president Jamil Mahuad represents a serious turn for
Latin American democracy. What happened in Ecuador is a result of a combination
of poverty, unemployment, increasing inflation, asphyxiating debt, abuse of wealth by a few, endemic corruption and an omnipresent military force. What

happened is relevant to us [Panama]. The United States must have resented the loss of bases in Panama, and we assume that they will soon assert
pressure to find a substitute. It is also advice if corruption does not stop
and the Panamanian social problems are not attended to adequately."

"Shackles Of Neo-Liberalism"

A front page editorial of sensationalist El Siglo (1/23) said: "The real promoters of the coup are the world power countries, who through unilateral and
obligating imposition of the most inhuman economic policies, disguised by absurd
neo-liberalism, have engraved the shackles of a subtle neo-slavery. The black
clouds over Ecuador warns of very difficult times to come "

"Important That Process Of Democratization Not Be Interrupted"

Independent La Prensa said (1/23): "The most important thing now is that the
process of democratization in Latin America not be interrupted and that the sister nation does not pay a cost much higher than what has resulted from the
errors of those who have governed it."

"Crisis Must Be Solved Institutionally"

Independent La Prensa had this front page editorial (1/22): "The solution is
not in the rupture of the constitutional order, in the establishment of a de
facto government nor in the disregard of the rights of a nation. The Ecuadorean
crisis must be solved institutionally, with the...efforts of...the country's
political class.... The OAS has a crucial role to play to prevent Ecuador falling into anarchy with the possible risk of a civil war that would worsen the
already delicate situation affecting it."

"People Should Reject Army's Involvement"

Pro-PRD La Estrella de Panama front paged the editorial column "La Estrella Opina" (1/22): "If every time a group protests or claims a right...and a president is obligated to abandon his position, democracy...will become like
something in the cartoons. The people should reject the army's involvement in
public activities."

PERU: "Ecuador: Disruption Of Democracy"

Straight-forward, respected El Comercio opined (1/23): "It is clear that bringing down Mahuad does not solve Ecuador's structural problems, brought on by the current economic chaos. On the contrary, the Ecuadorean political class needs to realize that this crisis will not be solved by means of an unconstitutional government, as the international community has noted. The governments of the United States, Colombia, Spain, Chile, and Peru, as well as the OAS and the Andean community, have expressed their solidarity with the democratically-elected president in Ecuador. The facts demonstrate that what Ecuador really needs is an economic stabilization program, although it seems that a certain sector of the Ecuadorean people is not ready to accept this."

"Military Coup In Ecuador"

Reliable, business-oriented Gestion had this editorial (1/22): "The United States urged the military in Ecuador to respect the constitutional order, and at the same time warned about the terrible consequences that continuing with the military coup would bring about. Besides being repulsive, disruption of the constitutional order will not solve Ecuador's serious problems. Moreover, these problems could be worsened by eventual international sanctions and because capital will be chased away by the instability and uncertainty. We hope that Ecuador can restore democracy as soon as possible."

"Ecuador In Crisis--Condemnable Coup Against Mahuad"

Strongly-opposition La Republica had this editorial (1/22): "Nothing justifies a military coup, nor the military replacement of a legitimately elected president. It is possible that a majority of Ecuadoreans regret their decision to vote for Mr. Mahuad, but one can punish poor elected officials only at the ballot box. We hope that a solution to this breakdown in the constitutional order can be found."

VENEZUELA: "The Ecuadorean Puzzle"

Leading, national, liberal El Nacional said in an editorial (1/25): "President Jamil Mahuad's overthrow does not solve Ecuador problems, but worsens them....
The indigenous people have legitimate complaints against the prevailing

economic
system that has failed to solve their problems and has put them on the economic
margins for decades. But on this occasion, indigenous people were used by military conspirators to create chaos, produce a situation of uncontrollable
instability and, thus stage the coup.... Gustavo Noboa had the presidency conferred upon him by the army, obviously violating the constitution. Noboa
himself...did not comply with his legal duties. Therefore, he bears the burden
of the original sin that will be on his regime.... The conspiracy became a burdensome fiasco. Meanwhile, the whole of Latin America, like a referee, views
this new incursion of the military power with concern.... The government of
Venezuela 'deplored but did not condemn' the acts since they were 'a sovereign
decision of the Ecuadoreans.' Or of the Ecuadorean army?"

EUROPE

GERMANY: "The Indigenous Indians As Friends Of The Military"

Eva Karnofsky had this to say in an editorial in centrist Sueddeutsche Zeitung
of Munich (1/24): "Vice President Noboa is now assuming a difficult job, since
the political scenario has not changed. The economy is in a slump, and the parties represented in parliament will be difficult to convince to pursue for a
brief period of time the congruent policy for the benefit of the country....
Every politician pursues his own policy, and is looking only for his personal--usually financial--advantage.... Over the past few years, many Latin
American countries tried to modernize their economies, but Ecuador failed with
these efforts due to the controversies among the parties....

"The new president will have to make up his mind if he wants to urge the organization of the indigenous Indians, the CONAIE, to cooperate in order to
help the country recover. Noboa wants to continue to pursue the neo-liberal
economic policy which has begun with the dollarization of the country. He will
have difficulties getting the support of the Conaie for this course, since it
continues to stick to the concept that it is the state, not private business,
that should play the main role.... Hardly any Ecuadorean felt insulted when the
military ignored the constitution for a few hours, since the people think

that
the military wants the best for the
country and not its destruction but the consolidation of democracy."

"Deja-Vu In Ecuador"

Hennerk Berlekamp said in an editorial in left-of-center Berliner Zeitung (1/24): "The situation is unclear but, nevertheless, familiar. Three years
ago, outraged protesters also besieged government buildings and forced a state
leader to flee.... However, this time we should show caution. The main reason
is that it was the army leadership under General Mendoza which controlled the
apparent chaos. Instead of backing unpopular...but at least democratically elected President Mahuad, the army purposefully aimed at his ouster and even
took power for a brief moment. Its arrogant view to 'monitor' the administration of Vice President Noboa indicates the future development to a
hidden military dictatorship a la Fujimori."

SPAIN: "Ecuador Adrift"

Liberal El Pais opined (1/23): "Ecuador, a failed state, has been on the point
of collapse for months. The social unrest that culminated in the occupation of
the Congress building by throngs of native people backed by certain military
units, has only continued to grow in a nation prostrated by a combination of
political and economic disasters that has left two-thirds of its 12 million inhabitants in grinding poverty. The new president, Gustavo Noboa, who will
theoretically remain in office until 2003, has announced that he will maintain
[his predecessors] economic dollarization policy, despite its adverse impact on
those least able to withstand the urgent and profound reforms that will have to
accompany it. The problem, in a country that has now touched bottom, is that
the authorities in Quito have few options left open."

RUSSIA: "Coup Favors U.S."

Semyon Novoprudsky wrote in reformist Izvestiya (1/25): "Ecuador's new president has stated that he will see the dollarization plan through, thereby
confirming his commitment to the cause of the deposed head of state. Ecuador has

no choice--it has to solve the debt problem, if its economy is to survive. So it has to maintain good relations with the United States, its main creditor. There is no doubt in anybody's mind in Ecuador that the military had to accept Noboa in the face of U.S. pressure. The outside world's concern over a breach of democratic norms in Ecuador has nothing to do with that. Noboa is sure to pursue a pro-American economic policy."
"Ecuador's Future Inspires No Optimism"

Karen Khachaturov stated in centrist Nezavisimaya Gazeta (1/25): "Ecuador's future inspires no optimism. Out-and-out corruption has become a symbol of power in that country. As it nears presidential elections, there is not a single candidate who could help break the impasse."

"Revolution Betrayed"

Nationalist opposition Sovetskaya Rossiya (1/25) ran this piece by Yevgeny Popov: "It seemed that the pro-American president's monetarist flight could change the history of that long-suffering nation. But the 'singing and dancing revolution' was betrayed. The Washington-controlled OAS condemned those events as an 'unconstitutional coup d'etat.' Based on that decision, U.S. emissaries, acting through special services and their agents of influence in Ecuador, used arm-twisting tactics against the insurgents' leaders."

"U.S. Forces Indians Into Retreat"

Under this headline, reformist Segodnya (1/24) carried a report by Aleksandr Mikhailov: "The junta only lasted a day and had to give up the reins in favor of the vice president. So rapid a return to civilian rule in Ecuador was due to the tough stand of the United States which threatened to freeze all financial aid to that country should the democratic system there be upset."

ASIA AND PACIFIC

CHINA: "What Caused Ecuadorean Government Reshuffle"

Yu Dingliang wrote in the official Beijing municipal Beijing Daily (Beijing Ribao), (1/24): "Blunders in economic policy and failure to secure the support

of the military are believed to be the two major factors contributing to Ecuadorean President Jamil Mahuad's stepping down."

INDONESIA: "Ecuador Affair Revives Political Discourse on Coup d'Etat"

Leading independent Kompas remarked (1/26): "The coup [in Ecuador] continues to receive attention because it flies in the face of the general international and regional trend. Coups are increasingly unpopular. Military coups d'etat will not gain the sympathy of an international community that is actively encouraging democratization, protection of human rights and preservation of the environment."

JAPAN: "Behind Coup Is Public Dissatisfaction With Economic slump"

Liberal Asahi editorialized (1/25): "The politically-influential military took advantage of the [indigenous] protest movement to depose the president. The question is whether or how newly-installed President Noboa will be able to settle the post-coup chaos.... The Asian economic crisis and Brazil's devaluation of the real significantly battered these Latin American countries' trade competitiveness and brought their economies to recession. Against such a background, publics have become frustrated about their governments' inability to turn around the present (ailing) economic situation. The continuing recessions, rising unemployment and other social inequalities have aggravated the Latin American political situation.... The international community must keep a close watch on the political situation in Ecuador.... The Noboa government must preserve democratic principles."

SOUTH KOREA: "Coup in Ecuador"

Conservative Segye Ilbo (1/24) commented: "Mahuad's inability to stop the country's economic slide, which got worse in the wake of the economic crisis in Asia, was the key factor that led to the coup, while his government's recent policy to allow use of the American dollar enflamed the situation further. Clearly, the new Noboa administration faces rough sailing in the days ahead."

VIETNAM: "Around The Dollarization in Ecuador"

Manh Kim commented in Sai Gon Giai Phong (Liberated Saigon--mouthpiece of Ho Chi Minh City's Communist Party, 1/28): "Is the United States using the unstable

economies and politics of Latin America to underhandedly encourage
countries
here to undertake dollarization and then in turn change them into a new
kind of
U.S. colonies? The world will have no rup, no rupia or no peso; only the
dollar! However, if a country replaces the state currency with the
dollar, it
may lose many things. Most importantly, state sovereignty will be erased
and
national pride will fade away."
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GES AHEAD
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\sb0 \sa0 \plain \fs22 \cf0 In advance of today's breaking news that Ecuadorea
n military officers who led the overthrow of President Jamil Mahuad last weeken
d have been detained, foreign media commentators this week generally condemned
the upsurge of "militarism," but focused much attention on Ecuador's domestic c
orruption and poverty as underlying causes of the rebellion. The U.S. diplomati
c intervention in favor of civilian rule was widely reported in news articles i
n the Ecuadorean press and elsewhere, but was not the focus of most editorials.
Many pundits saw the new government of President Gustavo Noboa as facing seve

re tests, and some were pessimistic that further social explosions could be avo
ided. Key points follow:
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\sb0 \sa0 \plain \b \fs22 \cf0 VIEWS FROM QUITO
\plain \fs22 \cf0 : In the initial aftermath of the coup, leading dailies dema
nded "unconditional respect for the constitutional order" and lamented a return
to "times of dictatorial adventures we believed were gone forever," but many p
undits saw the domestic elite's corruption and failure to ease poverty as the b
ackdrop for the uprising. Leading, centrist
\plain \ul \fs22 \cf0 El
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\plain \ul \fs22 \cf0 Comercio
\plain \fs22 \cf0 said, "Let's hope the elite has learned that the best form o
f government is one that satisfies the demands of its citizens in order to avoi
d destabilizing confrontations." Some commentators argued that Ecuador's coope
ration with U.S. anti-drug efforts--several mentioned U.S. use of the Manta air
base--and its strategic position in "the most conflictive zone in Latin Americ
a" justified the creation of "a sort of Marshall Plan" to rescue the economy.
Several analysts criticized the IMF, arguing that it had pressed former Preside
nt Mahuad "until he was left without margin for internal maneuver" and said the
IMF's support, "so long awaited by President Mahuad, has still not materialize
d." Analysts said the attempt to "grab power" by the indigenous movement--whi
ch cooperated in the military rebellion--was its "biggest mistake" because the
movement's very existence depended on a democratic order. One daily argued, ho
wever, that Ecuadorean Indians "used the wrong method, but their claims are leg
itimate."
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\sb0 \sa0 \plain \b \fs22 \cf0 VIEWS FROM THE REGION
\plain \fs22 \cf0 : Pundits in Chile, the Dominican Republic, Honduras, Panama
, Peru and Venezuela criticized the resurgence of "militarism" in Ecuador. Th
ey noted the "quick international reaction" as evidence that "it is increasingl
y difficult to remove a civilian government" and argued that "bringing down Mah
uad does not solve Ecuador's structural problems." Many analysts, however, foc
used as above on corruption and social inequalities as causes of the uprising a
nd saw them as daunting challenges facing President Noboa's government. A min
ority of commentators vigorously criticized neo-liberal economic policies and M
ahuad's "dollarization" plan. Arguing that "dollarization would be insanity,"
liberal
\plain \ul \fs22 \cf0 Folha de Sao Paulo
\plain \fs22 \cf0 held, "Ecuador has become a guinea pig for testing new exper
iments." Pundits in Mexico and Venezuela said the indigenous movement was "use
d" by "military conspirators."
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\sb0 \sa0 \plain \b \fs22 \cf0 ELSEWHERE
\plain \fs22 \cf0 : Calling Ecuador a "failed state," Madrid's liberal
\plain \ul \fs22 \cf0 El Pais
\plain \fs22 \cf0 maintained President Noboa's continuing the "dollarization p
olicy" of his predecessor would have an "adverse impact" on the poor but "the a
uthorities in Quito have few options left open." Moscow's reformist
\plain \ul \fs22 \cf0 Izvestiya
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the face of U.S. pressure" and asserted that "Noboa is sure to pursue a pro-Ame
rican economic policy."
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'S NOTE: This survey is based on 65 reports from 19 countries, January 22-28.
Editorial excerpts are grouped by region; editorials from each country are lis
ted from the most recent date.
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R: "And When Does The U.S. Make Its Move?"
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eading, centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this by Editor-in-Chief Jose Hernandez (1/27): "What di
d the country get in exchange for the Manta base? Only trouble? What did it g
et out of being dragged into a regional strategy against drug trafficking, whic
h poses the risk of retaliation from the Colombian guerrillas?... Ecuador unde
rstands its regional obligations and its government has shown a willingness to
assume the costs. But if Washington wants regional stability, it cannot be ins
pired only by its own needs. Ecuador also has an agenda comprised of urgent ma
tters which, if not addressed, could play havoc with U.S. priorities in the reg
ion.... Domestically, the elite knows that it is responsible for the present t
ragedy of the country. We have to negotiate with the United States and the int
ernational organizations a sort of Marshall Plan to pull the country out of thi
s predicament. Mexico received aid; Brazil had the same treatment.... Applyi
ng our internal efforts and also negotiating external aid seem to be urgent an
d necessary tasks for the new government. The time has come for the country to
negotiate support, demanding due reciprocity."
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Let's
Advance, With Transparency"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/27): "The terrible events of the last
few days are a call to foster national recuperation in an environment of trans
parency. The motto from now on: advance our fight against corruption."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "We Mu
st Learn Our Lesson"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio

\plain \fs22 \cf0 had this opinion column by Eduardo Galarraga (1/27): "Let's
 hope the elite has learned that the best form of government is one that satisf
ies the demands of its citizens in order to avoid destabilizing confrontations,
 and that it is fatal to give priority to demands by pressure groups while disr
egarding the wishes of the majority."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The R
ebels"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this column (1/27): "It is not an exaggeration to say t
hat we have hit rock bottom and that we cannot continue like this any longer.
Dollarization was a kick given by a drowning Mahuad, so much so that public opi
nion was convinced that it was a decision made overnight and haphazardly. The
credibility of the president, after a brief recovery, nose-dived and he had to
leave. Such a launching of the dollarization project--and not dollarization pe
r se--was the crucial factor that resulted in the trampling down of the country
's institutions."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The
International Effect"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 had this main editorial (1/27): "The events in Ecuador hav
e moved beyond our national borders and demand a reconciliation, at the contin
ental level, between the necessity for globalization and the demands for social
 justice in our countries.... There is a need for strategies aimed at reconci
ling the historical demands of globalization with the social situation which h
as been neglected in order to secure the world peace."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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20 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Reconc
iliation And Solidarity"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Quito's c
enter-left, influential
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this front-page editorial (1/27): "The challenges are e
normous. Ecuador needs to renegotiate with the holders of external debt. The
IMF support which was so long awaited by President Mahuad has still not materia
lized."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Threa
t From Washington Did Count"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 said (1/26): "The diplomatic intervention by Washington duri
ng the coup in Ecuador that toppled President-elect Jamil Mahuad during the las
t weekend was constructive, said the
\plain \ul \fs22 \cf0 New York Times
\plain \fs22 \cf0 yesterday. In an editorial devoted to the events, the daily
reminds everyone that military meddling in politics has become rare in Latin A
merica during the past two decades. But Ecuador is a conspicuous and worrisome
exception because this is the second time in less than three years that an Ecu
adorean elected leader has been prematurely toppled from his position."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Washi
ngton's Blindness"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this by Editor-in-Chief Jose Hernandez (1/26): "What be
nefit did the IMF get by pressing Mahuad until he was left without margin for i
nternal maneuver? What did it get by restricting funds in such a way that it f
orced former President Mahuad to play the last card he had up his sleeve--dolla
rization? How costly is it for Washington if the instability which could resu
lt could lead to situations such as the ones in Colombia and Peru? How much mo
ney has Clinton given to Andres Pastrana for weapons and how many stingy dollar
s have the international organizations denied Ecuador for social policies? Wha
t blindness is this by a partner who even got a base in Manta!"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Subve
rsion From The Bottom"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/26): "The country's image is very dam
aged.... Ecuador needs foreign investment or, at least, foreign credits to re
vamp an economy which has been further damaged by the crisis. Only confidence
will be able to allow dollarization and those processes aimed at cleaning up th
e economy to be successful."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "What
Do We Expect From Noboa?"

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's centrist
\plain \ul \fs22 \cf0 Expreso
\plain \fs22 \cf0 had this opinion column by Byron Lopez headline (1/25): "[N
aboa] must do everything needed to sign an extradition treaty with the United S
tates so that country can send back all those white-collar thieves who are now
strolling on the beaches of Miami while the Ecuadorean people starve to death..
.. He must relieve the anguish suffered by thousands of Ecuadorean households
damaged by the seizure of their savings, which was camouflaged under the term '
freezing.' These were criminal measures taken by Mahuad and Ana Lucia Armijos
to repay favors to dishonest bankers. President Noboa should devote much of hi
s energies to this matter and return those funds to Ecuadoreans. There are neit
her legal nor logical explanations for what happened."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The D
elicate Military Subject"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 opined (1/25): "Corruption was censured by the military and
 indigenous people alike, but with a subversive and undisciplined attitude. We
 cannot overlook the fact that corruption is regarded as the state of the whole
 country, erroneous and dangerous as that is. It is positive that President No
boa has announced his personal intervention to face this scourge. In addition,
 we require concrete and well-designed actions to show that the country does no
t want corruption any more."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \
plain \b \fs22 \cf0 "The Perspectives Of The Indigenous Movement"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Center-le
ft
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this opinion column by Carlos Arcos Cabrera (1/25): "Th
e attempt to grab power against democracy, or at its margin, is the biggest mis
take made by the indigenous movements.... The indigenous movement was made pos
sible by democracy, grew up with it, and has made important contributions to it
."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Every
thing Or Nothing? Nothing"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Center-le
ft

\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this opinion column by Felipe Burbano de Lara (1/25): "
Why pit the Indians against democracy when their movement has grown and become
legitimate in a democracy? The indigenous movement was perhaps the only demons
tration that this democracy--so despised by leftists--can still generate some p
articipation opportunities in order to fight for increased rights."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A Failed Coup, A Number Of Win
ners And Losers"
\plain \fs22 \cf0 \par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading, centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this column by Editor-in-Chief Jose Hernandez (1/23): "
The indigenous movement [CONAIE] is the biggest loser in this failed coup....
In the end, CONAIE had eyes bigger than its stomach: It wanted to become the g
overnment without having the foundation, the alliances, or the needed support.
To change this mentality to a more democratic stance is one of the challenges
it will have to face in the future.... The elite lost again: CONAIE used the w
rong method, but their claims are legitimate. The elite trembled again in the
face of the actions from the most forgotten and neglected section of the popula
tion. It is still not clear whether this shock will awaken the social conscien
ce of the leadership."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The I
ndependence Of The President"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading, center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 judged (1/23): "Only profound institutional reforms and the
concrete injection of immediate international financial assistance will help r
egain stability in Ecuador.... Ecuador is part of the most conflictive zone i
n Latin America and consequently deserves strategic attention due to highly vol
atile processes. The United States, in particular, will have to be consistent
with the position Ecuador adopted lately, especially because of the agreement g
ranted to use the Manta base, and its alignment with U.S. foreign policy. It w
ill be necessary for the presidents or ministers of foreign affairs from friend
ly countries to meet in an extraordinary session in the Ecuadorean capital. It
is of the utmost importance to demand, effectively and immediately, extraordin
ary financial assistance. Otherwise, the Ecuadorean situation will be unmanage
able."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Anoth
er Week Starts"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Quito's l
eading, centrist

\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/24): "We need to preserve peace, work
, and justice, without losing sight of the urgency to examine the underlying re
asons for the actions that have been taken and their reverberations."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Democ
racy: Amidst Abuse And Coups"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this opinion column by Fabian Corral (1/23): "The coup
evidenced the cracks in the country, the fragility of our democracy, the perver
sity of the blockades, and the institutional crisis which also ensnared this ti
me, regrettably, the armed forces. It was shown that ours is a democracy trapp
ed amidst the blockade by its political parties, the selfishness of the elite,
and by sieges by social movements."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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20 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The Co
untry And A Dictatorial Adventure"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this four-column editorial (1/22): "The country listene
d astonished as the dramatic journey of yesterday...took us back to the times o
f dictatorial adventures we believed were gone forever.... What happened yeste
rday is a regrettable return to eras that seemed forgotten. The anguish of the
 crisis and of national problems cannot lead us to self-defeating extremes."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Defen
se Of The Constitution"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Center-le
ft, influential
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 observed in this front-page editorial (1/22): "This daily r
ejects the imposition of a dictatorship in Ecuador. The country demands uncond
itional respect for the constitutional order. Nobody has authority beyond that
order. No group can place their own interests over those of the country."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "In Th

e Face Of National Commotion"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 had this editorial (1/22): "The Ecuadorean people, due to t
he lack of historical perspicacity, have elected over and over again the same p
olitical class, which impoverished and corrupted the state; the same ones that
mocked the call for independent justice, for free participation by independents
, and for a new system of individual election. The majority of the Ecuadorean
people wants to maintain the constitutional order. But the political rules of
our society need profound changes; otherwise institutional stability, let alone
 the emergency economic plan we need so badly, will be impossible."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 ARGENT
INA:
\plain \fs22 \cf0
\plain \b \fs22 \cf0 "Confusing End In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in leading
\plain \ul \fs22 \cf0 Clarin
\plain \fs22 \cf0 read (1/27): "It is not simple to know if what happened in E
cuador...has been an institutional solution or a coup d'etat. The most painful
thing is that, under the current circumstances, it is of little importance to k
now if it is one thing or another, taking into account the situation of virtual
 anarchy and economic and social chaos overwhelming Ecuador.... After its war
with Peru and the climatic catastrophe caused by El Nino, Ecuador suffered the
worst economic crisis of the century and a permanent political instability....
 Little has changed in Ecuador after its president was overthrown. Noboa's prec
arious government will have to act in a more than tight corridor to satisfy bot
h economic power and social groups in crisis. Meanwhile, the support--through
a referendum--to the autonomy of the province where Guayaquil is located and th
e appearance of the indigenous movement are new elements which should not be di
sregarded in the difficult situation of Ecuador's democracy."\par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The Ecuadorean Mirror"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in daily-of-record
\plain \ul \fs22 \cf0 La Nacion
\plain \fs22 \cf0 read (1/25): "The continental political leadership should no
t sleep quietly--something is happening in Ecuador and other Latin American cou
ntries, and an easy passport to optimism is not taken for granted. In many cou
ntries in the region, the imperfect traditional social and productive balance i
s falling to pieces, and after that there is a horizon of uncertainty.... In
a notorious and reiterated way, the answers rehearsed vis-a-vis this process ar
e in many cases riskily immature. In Quito and Guayaquil, those answers have b
ecome popular uprisings, but in other places they took the form of 'caudillos'.
..or outdated populist movements or attempts of authoritarian democracy...like

in Venezuela or Peru. For the moment, and maybe for a long time, the main duty of our societies will be to look for the reason for those disturbing effects."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pa
rd \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \s
a0 \plain \b \fs22 \cf0 BOLIVIA: "Ecuador: Back To Zero"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Pro-business
\plain \ul \fs22 \cf0 La
\plain \fs22 \cf0 Razon had this comment (1/24): "What is left for the success or to do is to continue with such plans ('dollarization' has the support of int ernational organizations) and confront the structural problems of Ecuador and t he true reasons for the crisis. He must eliminate subsidies on hydrocarbons; do wnsize the growth of the state; lower import tariffs; free the price of the dol lar, in case they do not adopt it as their currency; promote individual activit ies; support exports and move forward towards privatization of state enterprise s."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Coup,
A Time Bomb"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Catholic-church owned, left-leaning
\plain \ul \fs22 \cf0 Presencia
\plain \fs22 \cf0 said (1/24): "The violence and the break of the constitutio nal order in Ecuador demonstrate that neo-liberalism is ineffective in resolvin g the serious economic and social problems generated by the economic model. If the leaders of Latin America do not propose urgent solutions to the social pro blems, the movement in Ecuador could be the start of similar actions in the hem isphere."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \
b \fs22 \cf0 "Military-Indigenous Coup"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \
fs22 \cf0 Church-owned, left-leaning
\plain \ul \fs22 \cf0 Presencia
\plain \fs22 \cf0 (1/23) had this comment by Jose Gramunt: "We all knew that an indigenous uprising against the 'establishment' was being generated. The unp redictable factor was the military participation in the coup. The causes? The economic crisis that the government, now outcast, didn't know or couldn't over come, the 'dollarization' only in favor of the powerful, the fixing of savings accounts and trusts, the ample corruption. Last but not least, the abysmal soc ial/economic differences--a remote but sustained cause--repeated in all of Lati n America."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 BRAZIL
: "Tragedy In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx

720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 Folha de S. Paulo
\plain \fs22 \cf0 's economic section said (1/28): "Ecuador has become a guine
a pig for testing new experiments and old ideas that have failed in other natio
ns. Even so, the financial market has reacted positively.... Behind the mark
et's optimism, there is a growing conviction in the Northern Hemisphere that th
e Southern Hemisphere nations do not deserve their own currency.... Dollarizat
ion would be insanity. Probably the process would never begin, since it is har
d to imagine the United States signing a treaty making the Treasury and the Fed
 suppliers of bills and coins to other nations.... It is equally insane to thi
nk that a sovereign nation will only assume fiscal responsibility if it refrain
s from carrying out its own economic policy. It is the same colonialist view o
f the 15th century.... To think that dollarization would be successful in Ecua
dor does not make the slightest sense."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 CANADA
: "Strange Coup D'\'e9tat"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Editorial
ist Fr\'e9d\'e9ric Wagni\'e8re commented in centrist, French-language
\plain \ul \fs22 \cf0 La Presse
\plain \fs22 \cf0 (1/25): "President Noboa, who has adopted the dollarization
 project, could be faced with a new insurrection by Indians and poorly paid sol
diers, if he is unable to bring a spirit of honesty and financial rigor to a co
untry not used to such habits. A very tall order."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "On Th
e Razor's Edge"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Editorial
ist Serge Truffaut of the liberal, French-language
\plain \ul \fs22 \cf0 Le Devoir
\plain \fs22 \cf0 wrote (1/25): "If President Noboa does not fine-tune the fi
nancial policy of his predecessor, then last Friday's uprising will only have b
een the prelude to a large-scale social explosion."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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20 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 CHILE:
  "Lessons Of A Coup"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Governmen
t-owned, but editorially independent
\plain \ul \fs22 \cf0 La Nacion
\plain \fs22 \cf0 held (1/125): "The quick international reaction seems to sh

ow that it is becoming increasingly difficult to remove a civilian government a
nd not be punished. It is evident that anti-democratic actions will have to an
swer to the world.... It is therefore particularly encouraging that not only t
he international community, but the people of Ecuador themselves condemned the
attempted coup, leaving democracy as the means to resolve their problems."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Coup
In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading-circulation popular, indepe
ndent
\plain \ul \fs22 \cf0 La Tercera
\plain \fs22 \cf0 judged (1/25): "The international community's rejection of
the coup must stand as a lesson.... In today's world there is no place for abu
ses. Without the threat of international rejection, the continent could have t
oday two authoritarian regimes, one in Paraguay and the other in Ecuador.... T
he threat of international isolation and rejection is a deterrent."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Speak
ing Of Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Metropolitano
\plain \fs22 \cf0 (1/23) ran this editorial: "After a century characterized b
y the bad experience of having different kinds of dictatorships, it is evident
to mankind that liberal democracy is the best way of resolving conflicts and of
organizing cohabitation. On the other hand, the events in Ecuador also demons
trate that the consolidation of democratic systems require appropriate attentio
n to resolving social demands."
\par \pard \li720 \fi0 \ri720 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl2
40 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain
\b \fs22 \cf0 DOMINICAN REPUBLIC: "Disturbances"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Top-circu
lation, left-of-center tabloid
\plain \ul \fs22 \cf0 El Nacional
\plain \fs22 \cf0 opined (1/26): "No matter how hateful [his] economic policy
was and how heartfelt were the requests of popular groups, the coup d'etat tha
t just happened in Ecuador against President Jamil Mahuad deserves the stronges
t repulse.... Democracy has, however, other institutional mechanisms to solve
political conflicts...without having to resort to the odious interruption of th
e establishment through the hateful coup d'etats."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 HONDUR
AS:
\plain \fs22 \cf0

\plain \b \fs22 \cf0 "Historically Excluded Interrupted Latin American History"

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Heraldo
\plain \fs22 \cf0 commented in its full-length editorial (1/24): "Despite a g
lobal society, in which supposedly there exists only one form of thought as to
how to govern and a consensus over formal democracy, the historically excluded,
whether rightly or wrongly, have interrupted contemporary Latin American histo
ry to show that everything really isn't going well and that many things remain
to be reviewed and amended."
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Milit
arism No Longer Has A Place"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 noted (1/24): "What has happened (in Ecuador) shows that mi
litarism no longer has a place in our America. No other option exists for thes
e people to carry out the changes needed than the democratic road. Militarism
is a page from the past.... Let's hope that Ecuador...looks for development op
tions which will consolidate democracy and distance it from the danger which co
up d'etats represent."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "We Ca
nnot Separate The Economic From The Political"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Nuevo Dia
\plain \fs22 \cf0 said (1/24): "Some nations, such as Chile, have learned how
to handle the transition (to a market economy) with efficiency and stability,
while others, like Ecuador, have not been able to manage the transition in an a
ppropriate manner. The principal
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 reason be
ing that these latter countries have wanted to have the best of both worlds. T
hat is to say, to continue with statism while at the same time promoting free m
arkets. This contradiction is exceedingly dangerous as it paralyzes the econom
y and discourages both domestic and international investment.... The accelera
ted unemployment, increasing poverty and social instability which emerged under
the government of President Mahuad are signs that tell us that in our countrie
s, Honduras included, we cannot separate the economic from the political; and a
s a result, a great effort must be made to obtain stability and growth.... The
decision of the Ecuadorean military, induced through international pressure, t
o annul the junta and deliver power to the vice president of the Republic in Ec

uador indicates that the soldiers understand that we live in different times.
But the consolidation of democracy, there as in the rest of Latin America, wil
l require an intelligent and efficient struggle against insecurity, poverty and
the marginalization of large majorities. The message is perfectly clear--will
the political leaders in this part of the hemisphere listen?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A New
Chapter Of Uncertainty"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Heraldo
\plain \fs22 \cf0 said in its front page mini-editorial (1/22): "Another pres
ident has been 'dethroned,' opening up a new chapter of uncertainty, of elector
al promises, of demagogy and irresponsibility. The only thing that is clear fr
om Ecuador is that it is an example that the other nations of the continent mus
t not follow and that it is foolish to return to the field of economic experime
nts which only serve to add fuel to the fire."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 MEXICO
: "Bad Omen"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 Reforma
\plain \fs22 \cf0 carried this column by opposition politician Felipe Calderon
(1/27): "It is astonishing how easy the coup d'etat in Ecuador was generally
accepted all over the world. This is a bad omen for a century where democracy
is supposed to prevail.... The manipulation of the indigenous people was the t
rademark of the coup. The Ecuadorean armed forces camouflaged their real objec
tives behind the indigenous demonstration. This strategy succeeded outside Ecu
ador. The news abroad spoke mostly about an indigenous rebellion, not of a mil
itary coup.... With regards to the Ecuadorean economy, Mahuad's decision to
dollarize the economy was the straw that broke the camel's back, particularly b
ecause he did not have the political support to implement it. In 1983, the Isr
aeli Finance Minister had to resign after having suggested the dollarization of
the Israeli economy.... This is a touchy issue not only in economic terms, bu
t also because it has to do with other factors such as national identity, histo
ry, political institutions and what are the long-term goals of the country."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Drama
Of Indians"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Nationali
st/independent
\plain \ul \fs22 \cf0 El Universal
\plain \fs22 \cf0 (1/26) carried this by Eugenio Anguiano Roch: "This could be
a comic episode in Ecuador's history were it not for the drama of the Ecuadore

an Indians and of the poorest in urban areas. The coup was orchestrated by the armed forces, by the powerful and influential financial sectors and by the mos t conservative political elements.... Facing the possibility that general Car los Mendoza could install himself permanently in power, Washington made it sure that general Mendoza would take a step backwards and that he would restore a d emocracy that has proven so far to be very weak and ineffective."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A Cal l From Washington"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Nationali st/pro-government
\plain \ul \fs22 \cf0 Excelsior
\plain \fs22 \cf0 (1/26) ran this piece by Jeanette Becerra Acosta: "It is sim ply absurd for a general who has staged a coup to announce shortly thereafter h is resignation and also his retirement from the military to attend personal mat ters--unless, of course, he receives a call from Washington."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \ par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Who Used The Indians?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Left-of-c enter
\plain \ul \fs22 \cf0 La Jornada
\plain \fs22 \cf0 (1/25) carried this by Pedro Miguel: "The recomposition of power as a result of the coup yielded benefits for the army, for the economic a nd political influential classes and also for investors. However, those who le ft their sweat in the roads leading to Quito and who were exposed to the possib ility of having been repressed got no gain at all. Who used them?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The N ightmare Is Not Over"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe nt
\plain \ul \fs22 \cf0 Reforma
\plain \fs22 \cf0 (1/25) carried this column by Sergio Sarmiento: "Clearly, t he nightmare in Ecuador is not over yet. The old populist sympathizers in Ecua dor--as in Mexico--will use the indigenous as the pretext to impose economic me asures that are doomed to failure. At the end, the victims will be the poorest --as they always are."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Crisi s In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288

0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in nationalist
\plain \ul \fs22 \cf0 La Cronica
\plain \fs22 \cf0 (1/20) stated: "In an absolute unusual and desperate develo
pment several indigenous groups have requested the ousting of the government an
d the army to take over power.... Those who have participated in the demonstra
tions have called for a return to a populist regime. We could say that the sha
dow of Hugo Chavez is present. It will be very difficult to convince them that
 this is not the way out after so many years of suffering."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Mahua
d, Too Little Too Late"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editorial in left of center
\plain \ul \fs22 \cf0 La Jornada
\plain \fs22 \cf0 said (1/20): "Mahuad has been left on his own by the IMF af
ter declaring a moratorium on Ecuador's foreign debt service, thus he is trying
 gain some breathing room by selling Ecuador's oil almost at any price to any b
uyer.... The fact remains that those Latin American governments who are stubbo
rnly furthering the application of neo-liberal formulas bring about permanent s
acrifices on the population. They should look at themselves in Ecuador's mirro
r and act accordingly--that is, to mend their ways."
\par \pard \li720 \fi0 \ri720 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl2
40 \sb0 \sa0 \plain \b \fs22 \cf0 PANAMA: "Ecuador's Lesson"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \
fs22 \cf0 Tabloid
\plain \ul \fs22 \cf0 El Siglo
\plain \fs22 \cf0 had this column by Adolfo Benedetti (1/28): "Seen from the P
anamanian perspective the problems in South America are a sign for our governme
nts and the political sector in general, concerning the frailty of their power,
 which does not resist the weight of popular pressure.... The events in Quito
may create a political wave of fatal consequences for the democratic balance in
 the rest of the hemisphere.... The lesson should be taken by Panamanians as a
 sign to reorganize our work and state priorities to avoid a coup that may thro
w overboard, the leaders of our nation that need to shape up."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
 \sb0 \sa0 \plain \b \fs22 \cf0 "Military Coup Attempt Causes Instability In La
tin America"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Panama America
\plain \fs22 \cf0 had this by Henry Raymont (1/24): "This most recent, dramat
ic episode for Ecuador at the verge of an economic abyss shows the specter of i
nstability of Latin America...at the dawn of the 21st century. Just as dramati
c was the international rejection of the coup."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Mahuad Overthrown For Incompete
ncy"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Universal de Panama
\plain \fs22 \cf0 's front page editorial column commented (1/23): "The [U.S.]
interest in keeping Manta's Air Base forces them to keep a measurable and caut
ious attitude. Mahuad has been overthrown for incompetency for promoting neo-
populism not based on the productive capabilities of the people, but in a poor
Third World paternalism.
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Panama sh
ould take a close look Latin American armies are famous for military coups Al
though painful, we should remember this when thinking of re-militarizing the co
untry "
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Serio
us Turn For Latin American Democracy"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Panama America
\plain \fs22 \cf0 had this editorial (1/23): "The ousting of Ecuadorean const
itutional president Jamil Mahuad represents a serious turn for Latin American d
emocracy. What happened in Ecuador is a result of a combination of poverty, un
employment, increasing inflation, asphyxiating debt, abuse of wealth by a few,
endemic corruption and an omnipresent military force. What happened is releva
nt to us [Panama]. The United States must have
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 resented the loss of bases in Panam
a, and we assume that they will soon assert pressure to find a substitute. It
is also advice if corruption does not stop and the Panamanian social problems
are not attended to adequately."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Shack
les Of Neo-Liberalism"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 A front p
age editorial of sensationalist
\plain \ul \fs22 \cf0 El Siglo
\plain \fs22 \cf0 (1/23) said: "The real promoters of the coup are the world
power countries, who through unilateral and obligating imposition of the most i
nhuman economic policies, disguised by absurd neo-liberalism, have engraved the
shackles of a subtle neo-slavery. The black clouds over Ecuador warns of very
difficult times to come "
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tant That Process Of Democratization Not Be Interrupted"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 said (1/23): "The most important thing now is that the proc
ess of democratization in Latin America not be interrupted and that the sister
nation does not pay a cost much higher than what has resulted from the errors o
f those who have governed it."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Crisi
s Must Be Solved Institutionally"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 had this front page editorial (1/22): "The solution is not
in the rupture of the constitutional order, in the establishment of a de facto
government nor in the disregard of the rights of a nation. The Ecuadorean cris
is must be solved institutionally, with the...efforts of...the country's politi
cal class.... The OAS has a crucial role to play to prevent Ecuador falling in
to anarchy with the possible risk of a civil war that would worsen the already
delicate situation affecting it."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \
b \fs22 \cf0 "People Should Reject Army's Involvement"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Pro-PRD
\plain \ul \fs22 \cf0 La Estrella de Panama
\plain \fs22 \cf0 front paged the editorial column "La Estrella Opina" (1/22):
"If every time a group protests or claims a right...and a president is obliga
ted to abandon his position, democracy...will become like something in the cart
oons. The people should reject the army's involvement in public activities."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 PERU:
\plain \fs22 \cf0
\plain \b \fs22 \cf0 "Ecuador: Disruption Of Democracy"
\plain \fs22 \cf0
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Straight-forward, respected
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 opined (1/23): "It is clear that bringing down Mahuad does
not solve Ecuador's structural problems, brought on by the current economic cha
os. On the contrary, the Ecuadorean political class needs to realize that this
crisis will not be solved by means of an unconstitutional government, as the i
nternational community has noted. The governments of the United States, Colomb
ia, Spain, Chile, and Peru, as well as the OAS and the Andean community, have e
xpressed their solidarity with the democratically-elected president in Ecuador.
The facts demonstrate that what Ecuador really needs is an economic stabiliza

tion program, although it seems that a certain sector of the Ecuadorean people is not
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 ready to accept this."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 "Military Coup In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 Reliable, business-oriented
\plain \ul \fs22 \cf0 Gestion
\plain \fs22 \cf0 had this editorial (1/22): "The United States urged the military in Ecuador to respect the constitutional order, and at the same time warned about the terrible consequences that continuing with the military coup would bring about. Besides being repulsive, disruption of the constitutional order will not solve Ecuador's serious problems. Moreover, these problems could be worsened by eventual international sanctions and because capital will be chased away by the instability and uncertainty. We hope that Ecuador can restore democracy as soon as possible."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 "Ecuador In Crisis--Condemnable Coup Against Mahuad"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 Strongly-opposition
\plain \ul \fs22 \cf0 La Republica
\plain \fs22 \cf0 had this editorial (1/22): "Nothing justifies a military coup, nor the military replacement of a legitimately elected president. It is possible that a majority of Ecuadoreans regret their decision to vote for Mr. Mahuad, but one can punish poor elected officials only at the ballot box. We hope that a solution to this breakdown in the constitutional order can be found."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 VENEZUELA: "The Ecuadorean Puzzle"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading, national, liberal
\plain \ul \fs22 \cf0 El Nacional
\plain \fs22 \cf0 said in an editorial (1/25): "President Jamil Mahuad's overthrow does not solve Ecuador problems, but worsens them.... The indigenous people have legitimate complaints against the prevailing economic system that has failed to solve their problems and has put them on the economic margins for decades. But on this occasion, indigenous people were used by military conspirators to create chaos, produce a situation of uncontrollable instability and, thus stage the coup.... Gustavo Noboa had the presidency conferred upon him by the army, obviously violating the constitution. Noboa himself...did not comply with his legal duties. Therefore, he bears the burden of the original sin that will be on his regime.... The conspiracy became a burdensome fiasco. Meanwhile, the whole of Latin America, like a referee, views this new incursion of the military power with concern.... The government of Venezuela 'deplored but did not condemn' the acts since they were 'a sovereign decision of the Ecuadoreans.' Or of the Ecuadorean army?"

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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 GERMAN
Y: "The Indigenous Indians As Friends Of The Military"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Eva Karno
fsky had this to say in an editorial in centrist
\plain \ul \fs22 \cf0 Sueddeutsche Zeitung
\plain \fs22 \cf0 of Munich (1/24): "Vice President Noboa is now assuming a d
ifficult job, since the political scenario has not changed. The economy is in
a slump, and the parties represented in parliament will be difficult to convinc
e to pursue for a brief period of time the congruent policy for the benefit of
the country.... Every politician pursues his own policy, and is looking only f
or his personal--usually financial--advantage.... Over the past few years, ma
ny Latin American countries tried to modernize their economies, but Ecuador fai
led with these efforts due to the controversies among the parties....
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 "The new
president will have to make up his mind if he wants to urge the organization o
f the indigenous Indians, the CONAIE, to cooperate in order to help the country
recover. Noboa wants to continue to pursue the neo-liberal economic policy wh
ich has begun with the dollarization of the country. He will have difficulties
getting the support of the Conaie for this course, since it continues to stick
to the concept that it is the state, not private business, that should play th
e main role.... Hardly any Ecuadorean felt insulted when the military ignored
the constitution for a few hours, since the people think that the military want
s the best for the
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 country and not its destruction but
the consolidation of democracy."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \
plain \b \fs22 \cf0 "Deja-Vu In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Hennerk B
erlekamp said in an editorial in left-of-center
\plain \ul \fs22 \cf0 Berliner Zeitung
\plain \fs22 \cf0 (1/24): "The situation is unclear but, nevertheless, famili
ar. Three years ago, outraged protesters also besieged government buildings an
d forced a state leader to flee.... However, this time we should show caution.
The main reason is that it was the army leadership under General Mendoza which
controlled the apparent chaos. Instead of backing unpopular...but at least de
mocratically elected President Mahuad, the army purposefully aimed at his ouste
r and even took power for a brief moment. Its arrogant view to 'monitor' the a
dministration of Vice President Noboa indicates the future development to a hid

den military dictatorship a la Fujimori."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 SPAIN:
"Ecuador Adrift"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 El Pais
\plain \fs22 \cf0 opined (1/23): "Ecuador, a failed state, has been on the po
int of collapse for months. The social unrest that culminated in the occupatio
n of the Congress building by throngs of native people backed by certain milita
ry units, has only continued to grow in a nation prostrated by a combination of
political and economic disasters that has left two-thirds of its 12 million in
habitants in grinding poverty. The new president, Gustavo Noboa, who will theo
retically remain in office until 2003, has announced that he will maintain [his
predecessors] economic dollarization policy, despite its adverse impact on tho
se least able to withstand the urgent and profound reforms that will have to ac
company it. The problem, in a country that has now touched bottom, is that the
authorities in Quito have few options left open."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 RUSSIA
: "Coup Favors U.S."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Semyon No
voprudsky wrote in reformist
\plain \ul \fs22 \cf0 Izvestiya
\plain \fs22 \cf0 (1/25): "Ecuador's new president has stated that he will se
e the dollarization plan through, thereby confirming his commitment to the caus
e of the deposed head of state. Ecuador has no choice--it has to solve the debt
problem, if its economy is to survive. So it has to maintain good relations w
ith the United States, its main creditor. There is no doubt in anybody's mind
in Ecuador that the military had to accept Noboa in the face of U.S. pressure.
The outside world's concern over a breach of democratic norms in Ecuador has n
othing to do with that. Noboa is sure to pursue a pro-American economic policy
."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Ecuador's Future Inspires No Op
timism"
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chaturov stated in centrist
\plain \ul \fs22 \cf0 Nezavisimaya Gazeta
\plain \fs22 \cf0 (1/25): "Ecuador's future inspires no optimism. Out-and-ou
t corruption has become a symbol of power in that country. As it nears presiden
tial elections, there is not a single candidate who could help break the impass
e."
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ution Betrayed"
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st opposition
\plain \ul \fs22 \cf0 Sovetskaya Rossiya
\plain \fs22 \cf0 (1/25) ran this piece by Yevgeny Popov: "It seemed that the
pro-American president's monetarist flight could change the history of that lo
ng-suffering nation. But the 'singing and dancing revolution' was betrayed. T
he Washington-controlled OAS condemned those events as an 'unconstitutional cou
p d'etat.' Based on that decision, U.S. emissaries, acting through special serv
ices and their agents of influence in Ecuador, used arm-twisting tactics agains
t the insurgents' leaders."
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Forces Indians Into Retreat"
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s headline, reformist
\plain \ul \fs22 \cf0 Segodnya
\plain \fs22 \cf0 (1/24) carried a report by Aleksandr Mikhailov: "The junta o
nly lasted a day and had to give up the reins in favor of the vice president.
So rapid a return to civilian rule in Ecuador was due to the tough stand of the
United States which threatened to freeze all financial aid to that country sho
uld the democratic system there be upset."
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"What Caused Ecuadorean Government Reshuffle"
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ang wrote in the official Beijing municipal
\plain \ul \fs22 \cf0 Beijing Daily
\plain \fs22 \cf0 (
\plain \ul \fs22 \cf0 Beijing Ribao
\plain \fs22 \cf0), (1/24): "Blunders in economic policy and failure to secure
the support of the military are believed to be the two major factors contribut
ing to Ecuadorean President Jamil Mahuad's stepping down."
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SIA: "Ecuador Affair Revives Political Discourse on Coup d'Etat"
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ndependent
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\plain \fs22 \cf0 remarked (1/26): "The coup [in Ecuador] continues to recei
ve attention because it flies in the face of the general international and regi
onal trend. Coups are increasingly unpopular. Military coups d'etat will not
gain the sympathy of an international community that is actively encouraging de
mocratization, protection of human rights and preservation of the environment."
\par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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issatisfaction With Economic slump"
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\plain \ul \fs22 \cf0 Asahi
\plain \fs22 \cf0 editorialized (1/25): "The politically-influential military
 took advantage of the [indigenous] protest movement to depose the president. T
he question is whether or how newly-installed President Noboa will be able to s
ettle the post-coup chaos.... The Asian economic crisis and Brazil's devaluati
on of the real significantly battered these Latin American countries' trade com
petitiveness and brought their economies to recession. Against such a backgrou
nd, publics have become frustrated about their governments' inability to turn a
round the present (ailing) economic situation. The continuing recessions, risin
g unemployment and other social inequalities have aggravated the Latin American
 political situation.... The international community must keep a close watch
on the political situation in Ecuador.... The Noboa government must preserve d
emocratic principles."
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KOREA: "Coup in Ecuador"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 Segye Ilbo
\plain \fs22 \cf0 (1/24) commented: "Mahuad's inability to stop the country's
 economic slide, which got worse in the wake of the economic crisis in Asia,
was the key factor that led to the coup, while his government's recent policy t
o allow use of the American dollar enflamed the situation further. Clearly, th
e new Noboa administration faces rough sailing in the days ahead."
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M: "Around The Dollarization in Ecuador"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Manh Kim
commented in
\plain \ul \fs22 \cf0 Sai Gon Giai Phong
\plain \fs22 \cf0 (
\plain \ul \fs22 \cf0 Liberated Saigon
\plain \fs22 \cf0 --mouthpiece of Ho Chi Minh City's Communist Party, 1/28): "
Is the United States using the unstable economies and politics of Latin America
 to underhandedly encourage countries here to undertake dollarization and then

in turn change them into a new kind of U.S. colonies? The world will have no r
up, no rupia or no peso; only the dollar! However, if a country replaces the s
tate currency with the dollar, it may lose many things. Most importantly, stat
e sovereignty will be erased and national pride will fade away."
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FOLDER TITLE:
[01/06/2000 - 02/01/2000]

2019-0152-F
ab1706

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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CREATION DATE/TIME:28-JAN-2000 14:39:25.00

SUBJECT: Issue Focus: ECUADOR COUP

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TEXT:

In advance of today's breaking news that Ecuadorean military officers who led the overthrow of President Jamil Mahuad last weekend have been detained, foreign media commentators this week generally condemned the upsurge of "militarism," but focused much attention on Ecuador's domestic corruption and poverty as underlying causes of the rebellion. The U.S. diplomatic intervention in favor of civilian rule was widely reported in news articles in the Ecuadorean press and elsewhere, but was not the focus of most editorials. Many pundits saw the new government of President Gustavo Noboa as facing severe tests, and some were pessimistic that further social explosions could be avoided. Key points follow:

VIEWS FROM QUITO: In the initial aftermath of the coup, leading dailies demanded "unconditional respect for the constitutional order" and lamented a return to "times of dictatorial adventures we believed were gone forever," but many pundits saw the domestic elite's corruption and failure to ease poverty as the backdrop for the uprising. Leading, centrist El Comercio said, "Let's hope the elite has learned that the best form of government is one that satisfies the demands of its citizens in order to avoid destabilizing confrontations." Some commentators argued that Ecuador's cooperation with U.S. anti-drug efforts--several mentioned U.S. use of the Manta air base--and its strategic position in "the most conflictive zone in Latin America" justified the creation of "a sort of Marshall Plan" to rescue the economy. Several analysts criticized the IMF, arguing that it had pressed former President Mahuad "until he was left without margin for internal maneuver" and said the IMF's support, "so long awaited by President Mahuad, has still not materialized." Analysts said the attempt to "grab power" by the indigenous movement--which cooperated in the military rebellion--was its "biggest mistake" because the movement's very existence depended on a democratic order. One daily argued, however, that Ecuadorean Indians "used the wrong method, but their claims are legitimate."

VIEWS FROM THE REGION: Pundits in Chile, the Dominican Republic, Honduras, Panama, Peru and Venezuela criticized the resurgence of "militarism" in Ecuador. They noted the "quick international reaction" as evidence that "it is increasingly difficult to remove a civilian government" and argued that "bringing down Mahuad does not solve Ecuador's structural problems." Many

analysts, however, focused as above on corruption and social inequalities as
causes of the uprising and saw them as daunting challenges facing President Noboa's government. A minority of commentators vigorously criticized neo-liberal economic policies and Mahuad's "dollarization" plan. Arguing that
"dollarization would be insanity," liberal Folha de Sao Paulo held, "Ecuador has
become a guinea pig for testing new experiments." Pundits in Mexico and Venezuela said the indigenous movement was "used" by "military conspirators."

ELSEWHERE: Calling Ecuador a "failed state," Madrid's liberal El Pais maintained President Noboa's continuing the "dollarization policy" of his predecessor would have an "adverse impact" on the poor but "the authorities in
Quito have few options left open." Moscow's reformist Izvestiya argued that the
Ecuadorean military "had to accept Noboa in the face of U.S. pressure" and asserted that "Noboa is sure to pursue a pro-American economic policy."
EDITOR: Bill Richey

EDITOR'S NOTE: This survey is based on 65 reports from 19 countries, January
22-28. Editorial excerpts are grouped by region; editorials from each country
are listed from the most recent date.

WESTERN HEMISPHERE

ECUADOR: "And When Does The U.S. Make Its Move?"

Quito's leading, centrist El Comercio had this by Editor-in-Chief Jose Hernandez
(1/27): "What did the country get in exchange for the Manta base? Only trouble? What did it get out of being dragged into a regional strategy against
drug trafficking, which poses the risk of retaliation from the Colombian guerrillas?... Ecuador understands its regional obligations and its government
has shown a willingness to assume the costs. But if Washington wants regional
stability, it cannot be inspired only by its own needs. Ecuador also has an
agenda comprised of urgent matters which, if not addressed, could play havoc
with U.S. priorities in the region.... Domestically, the elite knows that it is
responsible for the present tragedy of the country. We have to negotiate with
the United States and the international organizations a sort of Marshall Plan to
pull the country out of this predicament. Mexico received aid; Brazil had the
same treatment.... Applying our internal efforts and also negotiating

external
aid seem to be urgent and necessary tasks for the new government. The time has
come for the country to negotiate support, demanding due reciprocity."

"Let's Advance, With Transparency"

Leading, centrist El Comercio had this editorial (1/27): "The terrible events
of the last few days are a call to foster national recuperation in an
environment of transparency. The motto from now on: advance our fight against
corruption."

"We Must Learn Our Lesson"

Leading, centrist El Comercio had this opinion column by Eduardo Galarraga
(1/27): "Let's hope the elite has learned that the best form of government is
one that satisfies the demands of its citizens in order to avoid destabilizing
confrontations, and that it is fatal to give priority to demands by pressure
groups while disregarding the wishes of the majority."

"The Rebels"

Leading, centrist El Comercio had this column (1/27): "It is not an
exaggeration to say that we have hit rock bottom and that we cannot continue
like this any longer. Dollarization was a kick given by a drowning Mahuad, so
much so that public opinion was convinced that it was a decision made overnight
and haphazardly. The credibility of the president, after a brief recovery,
nose-dived and he had to leave. Such a launching of the dollarization
project--and not dollarization per se--was the crucial factor that resulted in
the trampling down of the country's institutions."

"The International Effect"

Guayaquil's (and Ecuador's) leading center-right El Universo had this main
editorial (1/27): "The events in Ecuador have moved beyond our national
borders and demand a reconciliation, at the continental level, between the
necessity for globalization and the demands for social justice in our
countries.... There is a need for strategies aimed at reconciling the
historical demands of globalization with the social situation which has been
neglected in order to secure the world peace."

"Reconciliation And Solidarity"

Quito's center-left, influential Hoy had this front-page editorial (1/27): "The challenges are enormous. Ecuador needs to renegotiate with the holders of external debt. The IMF support which was so long awaited by President Mahuad has still not materialized."

"Threat From Washington Did Count"

Leading, centrist El Comercio said (1/26): "The diplomatic intervention by Washington during the coup in Ecuador that toppled President-elect Jamil Mahuad during the last weekend was constructive, said the New York Times yesterday. In an editorial devoted to the events, the daily reminds everyone that military meddling in politics has become rare in Latin America during the past two decades. But Ecuador is a conspicuous and worrisome exception because this is the second time in less than three years that an Ecuadorean elected leader has been prematurely toppled from his position."

"Washington's Blindness"

Leading, centrist El Comercio had this by Editor-in-Chief Jose Hernandez (1/26):
"What benefit did the IMF get by pressing Mahuad until he was left without margin for internal maneuver? What did it get by restricting funds in such a way that it forced former President Mahuad to play the last card he had up his sleeve--dollarization? How costly is it for Washington if the instability which could result could lead to situations such as the ones in Colombia and Peru? How much money has Clinton given to Andres Pastrana for weapons and how many stingy dollars have the international organizations denied Ecuador for social policies? What blindness is this by a partner who even got a base in Manta!"

"Subversion From The Bottom"

Leading, centrist El Comercio had this editorial (1/26): "The country's image is very damaged.... Ecuador needs foreign investment or, at least, foreign credits to revamp an economy which has been further damaged by the crisis. Only confidence will be able to allow dollarization and those processes aimed at cleaning up the economy to be successful."

"What Do We Expect From Noboa?"

Guayaquil's centrist Expreso had this opinion column by Byron Lopez headline (1/25): "[Naboa] must do everything needed to sign an extradition treaty with the United States so that country can send back all those white-collar thieves who are now strolling on the beaches of Miami while the Ecuadorean people starve to death.... He must relieve the anguish suffered by thousands of Ecuadorean households damaged by the seizure of their savings, which was camouflaged under the term 'freezing.' These were criminal measures taken by Mahuad and Ana Lucia Armijos to repay favors to dishonest bankers. President Noboa should devote much of his energies to this matter and return those funds to Ecuadoreans. There are neither legal nor logical explanations for what happened."

"The Delicate Military Subject"

Leading, centrist El Comercio opined (1/25): "Corruption was censured by the military and indigenous people alike, but with a subversive and undisciplined attitude. We cannot overlook the fact that corruption is regarded as the state of the whole country, erroneous and dangerous as that is. It is positive that President Noboa has announced his personal intervention to face this scourge.
In addition, we require concrete and well-designed actions to show that the country does not want corruption any more."

"The Perspectives Of The Indigenous Movement"

Center-left Hoy had this opinion column by Carlos Arcos Cabrera (1/25): "The attempt to grab power against democracy, or at its margin, is the biggest mistake made by the indigenous movements.... The indigenous movement was made possible by democracy, grew up with it, and has made important contributions to it."

"Everything Or Nothing? Nothing"

Center-left Hoy had this opinion column by Felipe Burbano de Lara (1/25): "Why

pit the Indians against democracy when their movement has grown and become legitimate in a democracy? The indigenous movement was perhaps the only demonstration that this democracy--so despised by leftists--can still generate some participation opportunities in order to fight for increased rights."

"A Failed Coup, A Number Of Winners And Losers"

Leading, centrist El Comercio had this column by Editor-in-Chief Jose Hernandez (1/23): "The indigenous movement [CONAIE] is the biggest loser in this failed coup.... In the end, CONAIE had eyes bigger than its stomach: It wanted to become the government without having the foundation, the alliances, or the needed support. To change this mentality to a more democratic stance is one of the challenges it will have to face in the future.... The elite lost again: CONAIE used the wrong method, but their claims are legitimate. The elite trembled again in the face of the actions from the most forgotten and neglected section of the population. It is still not clear whether this shock will awaken the social conscience of the leadership."

"The Independence Of The President"

Guayaquil's (and Ecuador's) leading, center-right El Universo judged (1/23): "Only profound institutional reforms and the concrete injection of immediate international financial assistance will help regain stability in Ecuador.... Ecuador is part of the most conflictive zone in Latin America and consequently deserves strategic attention due to highly volatile processes. The United States, in particular, will have to be consistent with the position Ecuador adopted lately, especially because of the agreement granted to use the Manta base, and its alignment with U.S. foreign policy. It will be necessary for the presidents or ministers of foreign affairs from friendly countries to meet in an extraordinary session in the Ecuadorean capital. It is of the utmost importance to demand, effectively and immediately, extraordinary financial assistance. Otherwise, the Ecuadorean situation will be unmanageable."

"Another Week Starts"

Quito's leading, centrist El Comercio had this editorial (1/24): "We need to preserve peace, work, and justice, without losing sight of the urgency to

examine the underlying reasons for the actions that have been taken and their
reverberations."

"Democracy: Amidst Abuse And Coups"

Leading, centrist El Comercio had this opinion column by Fabian Corral (1/23):
"The coup evidenced the cracks in the country, the fragility of our democracy,
the perversity of the blockades, and the institutional crisis which also ensnared this time, regrettably, the armed forces. It was shown that ours is a
democracy trapped amidst the blockade by its political parties, the selfishness
of the elite, and by sieges by social movements."

"The Country And A Dictatorial Adventure"

Leading, centrist El Comercio had this four-column editorial (1/22): "The country listened astonished as the dramatic journey of yesterday...took us back
to the times of dictatorial adventures we believed were gone forever.... What
happened yesterday is a regrettable return to eras that seemed forgotten. The
anguish of the crisis and of national problems cannot lead us to self-defeating
extremes."

"Defense Of The Constitution"

Center-left, influential Hoy observed in this front-page editorial (1/22):
"This daily rejects the imposition of a dictatorship in Ecuador. The country
demands unconditional respect for the constitutional order. Nobody has authority
beyond that order. No group can place their own interests over those of the
country."

"In The Face Of National Commotion"

Guayaquil's (and Ecuador's) leading center-right El Universo had this editorial
(1/22): "The Ecuadorean people, due to the lack of historical perspicacity,
have elected over and over again the same political class, which impoverished
and corrupted the state; the same ones that mocked the call for independent justice, for free participation by independents, and for a new system of

individual election. The majority of the Ecuadorean people wants to maintain the constitutional order. But the political rules of our society need profound changes; otherwise institutional stability, let alone the emergency economic plan we need so badly, will be impossible."

ARGENTINA: "Confusing End In Ecuador"

An editorial in leading Clarin read (1/27): "It is not simple to know if whathappened in Ecuador...has been an institutional solution or a coup d'etat. The most painful thing is that, under the current circumstances, it is of little importance to know if it is one thing or another, taking into account the situation of virtual anarchy and economic and social chaos overwhelming Ecuador.... After its war with Peru and the climatic catastrophe caused by El Nino, Ecuador suffered the worst economic crisis of the century and a permanent political instability.... Little has changed in Ecuador after its president was overthrown. Noboa's precarious government will have to act in a more than tight corridor to satisfy both economic power and social groups in crisis. Meanwhile, the support--through a referendum--to the autonomy of the province where Guayaquil is located and the appearance of the indigenous movement are new elements which should not be disregarded in the difficult situation of Ecuador's democracy."

"The Ecuadorean Mirror"

An editorial in daily-of-record La Nacion read (1/25): "The continental political leadership should not sleep quietly--something is happening in Ecuador and other Latin American countries, and an easy passport to optimism is not taken for granted. In many countries in the region, the imperfect traditional social and productive balance is falling to pieces, and after that there is a horizon of uncertainty.... In a notorious and reiterated way, the answers rehearsed vis-a-vis this process are in many cases riskily immature. In Quito and Guayaquil, those answers have become popular uprisings, but in other places they took the form of 'caudillos'...or outdated populist movements or attempts of authoritarian democracy...like in Venezuela or Peru. For the moment, and maybe for a long time, the main duty of our societies will be to look for the reason for those disturbing effects."

BOLIVIA: "Ecuador: Back To Zero"

Pro-business La Razon had this comment (1/24): "What is left for the successor
to do is to continue with such plans ('dollarization' has the support of international organizations) and confront the structural problems of Ecuador and
the true reasons for the crisis. He must eliminate subsidies on hydrocarbons;
downsize the growth of the state; lower import tariffs; free the price of the
dollar, in case they do not adopt it as their currency; promote individual activities; support exports and move forward towards privatization of state enterprises."

"Coup, A Time Bomb"

Catholic-church owned, left-leaning Presencia said (1/24): "The violence and
the break of the constitutional order in Ecuador demonstrate that neo-liberalism
is ineffective in resolving the serious economic and social problems generated
by the economic model. If the leaders of Latin America do not propose urgent
solutions to the social problems, the movement in Ecuador could be the start of
similar actions in the hemisphere."

"Military-Indigenous Coup"

Church-owned, left-leaning Presencia (1/23) had this comment by Jose Gramunt:
"We all knew that an indigenous uprising against the 'establishment' was being
generated. The unpredictable factor was the military participation in the coup.
The causes? The economic crisis that the government, now outcast, didn't know
or couldn't overcome, the 'dollarization' only in favor of the powerful, the
fixing of savings accounts and trusts, the ample corruption. Last but not least, the abysmal social/economic differences--a remote but sustained cause--repeated in all of Latin America."

BRAZIL: "Tragedy In Ecuador"

Liberal Folha de S. Paulo's economic section said (1/28): "Ecuador has become a
guinea pig for testing new experiments and old ideas that have failed in other

nations. Even so, the financial market has reacted positively.... Behind the market's optimism, there is a growing conviction in the Northern Hemisphere that the Southern Hemisphere nations do not deserve their own currency.... Dollarization would be insanity. Probably the process would never begin, since it is hard to imagine the United States signing a treaty making the Treasury and the Fed suppliers of bills and coins to other nations.... It is equally insane to think that a sovereign nation will only assume fiscal responsibility if it refrains from carrying out its own economic policy. It is the same colonialist view of the 15th century.... To think that dollarization would be successful in Ecuador does not make the slightest sense."

CANADA: "Strange Coup D'
?tat"

Editorialist Fr?d?ric Wagni?re commented in centrist, French-language La Presse (1/25): "President Noboa, who has adopted the dollarization project, could be faced with a new insurrection by Indians and poorly paid soldiers, if he is unable to bring a spirit of honesty and financial rigor to a country not used to such habits. A very tall order."

"On The Razor's Edge"

Editorialist Serge Truffaut of the liberal, French-language Le Devoir wrote (1/25): "If President Noboa does not fine-tune the financial policy of his predecessor, then last Friday's uprising will only have been the prelude to a large-scale social explosion."

CHILE: "Lessons Of A Coup"

Government-owned, but editorially independent La Nacion held (1/125): "The quick international reaction seems to show that it is becoming increasingly difficult to remove a civilian government and not be punished. It is evident that anti-democratic actions will have to answer to the world.... It is therefore particularly encouraging that not only the international community, but the people of Ecuador themselves condemned the attempted coup, leaving democracy as the means to resolve their problems."

"Coup In Ecuador"

Leading-circulation popular, independent La Tercera judged (1/25): "The international community's rejection of the coup must stand as a lesson.... In today's world there is no place for abuses. Without the threat of international rejection, the continent could have today two authoritarian regimes, one in Paraguay and the other in Ecuador.... The threat of international isolation and rejection is a deterrent."

"Speaking Of Ecuador"

Independent El Metropolitano (1/23) ran this editorial: "After a century characterized by the bad experience of having different kinds of dictatorships, it is evident to mankind that liberal democracy is the best way of resolving conflicts and of organizing cohabitation. On the other hand, the events in Ecuador also demonstrate that the consolidation of democratic systems require appropriate attention to resolving social demands."

DOMINICAN REPUBLIC: "Disturbances"

Top-circulation, left-of-center tabloid El Nacional opined (1/26): "No matter how hateful [his] economic policy was and how heartfelt were the requests of popular groups, the coup d'etat that just happened in Ecuador against President Jamil Mahuad deserves the strongest repulse.... Democracy has, however, other institutional mechanisms to solve political conflicts...without having to resort to the odious interruption of the establishment through the hateful coup d'etats."

HONDURAS: "Historically Excluded Interrupted Latin American History"

Conservative El Heraldo commented in its full-length editorial (1/24): "Despite a global society, in which supposedly there exists only one form of thought as to how to govern and a consensus over formal democracy, the historically excluded, whether rightly or wrongly, have interrupted contemporary Latin American history to show that everything really isn't going well and that many things remain to be reviewed and amended."

"Militarism No Longer Has A Place"

Liberal La Prensa noted (1/24): "What has happened (in Ecuador) shows that

militarism no longer has a place in our America. No other option exists for these people to carry out the changes needed than the democratic road. Militarism is a page from the past.... Let's hope that Ecuador...looks for development options which will consolidate democracy and distance it from the danger which coup d'etats represent."

"We Cannot Separate The Economic From The Political"

Independent El Nuevo Dia said (1/24): "Some nations, such as Chile, have learned how to handle the transition (to a market economy) with efficiency and stability, while others, like Ecuador, have not been able to manage the transition in an appropriate manner. The principal

reason being that these latter countries have wanted to have the best of both worlds. That is to say, to continue with statism while at the same time promoting free markets. This contradiction is exceedingly dangerous as it paralyzes the economy and discourages both domestic and international investment.... The accelerated unemployment, increasing poverty and social instability which emerged under the government of President Mahuad are signs that tell us that in our countries, Honduras included, we cannot separate the economic from the political; and as a result, a great effort must be made to obtain stability and growth.... The decision of the Ecuadorean military, induced through international pressure, to annul the junta and deliver power to the vice president of the Republic in Ecuador indicates that the soldiers understand that we live in different times. But the consolidation of democracy, there as in the rest of Latin America, will require an intelligent and efficient struggle against insecurity, poverty and the marginalization of large majorities. The message is perfectly clear--will the political leaders in this part of the hemisphere listen?"

"A New Chapter Of Uncertainty"

Conservative El Heraldo said in its front page mini-editorial (1/22): "Another president has been 'dethroned,' opening up a new chapter of uncertainty, of electoral promises, of demagogy and irresponsibility. The only thing that is clear from Ecuador is that it is an example that the other nations of the continent must not follow and that it is foolish to return to the field of economic experiments which only serve to add fuel to the fire."

MEXICO: "Bad Omen"

Independent Reforma carried this column by opposition politician Felipe Calderon (1/27): "It is astonishing how easy the coup d'etat in Ecuador was generally accepted all over the world. This is a bad omen for a century where democracy is supposed to prevail.... The manipulation of the indigenous people was the trademark of the coup. The Ecuadorean armed forces camouflaged their real objectives behind the indigenous demonstration. This strategy succeeded outside Ecuador. The news abroad spoke mostly about an indigenous rebellion, not of a military coup.... With regards to the Ecuadorean economy, Mahuad's decision to dollarize the economy was the straw that broke the camel's back, particularly because he did not have the political support to implement it. In 1983, the Israeli Finance Minister had to resign after having suggested the dollarization of the Israeli economy.... This is a touchy issue not only in economic terms, but also because it has to do with other factors such as national identity, history, political institutions and what are the long-term goals of the country."

"Drama Of Indians"

Nationalist/independent El Universal (1/26) carried this by Eugenio Anguiano Roch: "This could be a comic episode in Ecuador's history were it not for the drama of the Ecuadorean Indians and of the poorest in urban areas. The coup was orchestrated by the armed forces, by the powerful and influential financial sectors and by the most conservative political elements.... Facing the possibility that general Carlos Mendoza could install himself permanently in power, Washington made it sure that general Mendoza would take a step backwards and that he would restore a democracy that has proven so far to be very weak and ineffective."

"A Call From Washington"

Nationalist/pro-government Excelsior (1/26) ran this piece by Jeanette Becerra Acosta: "It is simply absurd for a general who has staged a coup to announce shortly thereafter his resignation and also his retirement from the military to

attend personal matters--unless, of course, he receives a call from Washington."

"Who Used The Indians?"

Left-of-center La Jornada (1/25) carried this by Pedro Miguel: "The recomposition of power as a result of the coup yielded benefits for the army,
for the economic and political influential classes and also for investors. However, those who left their sweat in the roads leading to Quito and who were
exposed to the possibility of having been repressed got no gain at all. Who
used them?"

"The Nightmare Is Not Over"

Independent Reforma (1/25) carried this column by Sergio Sarmiento: "Clearly,
the nightmare in Ecuador is not over yet. The old populist sympathizers in Ecuador--as in Mexico--will use the indigenous as the pretext to impose economic
measures that are doomed to failure. At the end, the victims will be the poorest--as they always are."

"Crisis In Ecuador"

An editorial in nationalist La Cronica (1/20) stated: "In an absolute unusual
and desperate development several indigenous groups have requested the ousting
of the government and the army to take over power.... Those who have participated in the demonstrations have called for a return to a populist regime. We could say that the shadow of Hugo Chavez is present. It will be
very difficult to convince them that this is not the way out after so many years
of suffering."

"Mahuad, Too Little Too Late"

An editorial in left of center La Jornada said (1/20): "Mahuad has been left on
his own by the IMF after declaring a moratorium on Ecuador's foreign debt service, thus he is trying gain some breathing room by selling Ecuador's oil
almost at any price to any buyer.... The fact remains that those Latin American
governments who are stubbornly furthering the application of neo-liberal formulas bring about permanent sacrifices on the population. They should look
at themselves in Ecuador's mirror and act accordingly--that is, to mend

their
ways."

PANAMA: "Ecuador's Lesson"

Tabloid El Siglo had this column by Adolfo Benedetti (1/28): "Seen from the Panamanian perspective the problems in South America are a sign for our governments and the political sector in general, concerning the frailty of their
power, which does not resist the weight of popular pressure.... The events in
Quito may create a political wave of fatal consequences for the democratic balance in the rest of the hemisphere.... The lesson should be taken by Panamanians as a sign to reorganize our work and state priorities to avoid a
coup that may throw overboard, the leaders of our nation that need to shape
up."

"Military Coup Attempt Causes Instability In Latin America"

Conservative El Panama America had this by Henry Raymont (1/24): "This most
recent, dramatic episode for Ecuador at the verge of an economic abyss shows the
specter of instability of Latin America...at the dawn of the 21st century. Just
as dramatic was the international rejection of the coup."

"Mahuad Overthrown For Incompetency"

Independent El Universal de Panama's front page editorial column commented (1/23): "The [U.S.] interest in keeping Manta's Air Base forces them to keep a
measurable and cautious attitude. Mahuad has been overthrown for incompetency
for promoting neo-populism not based on the productive capabilities of the people, but in a poor Third World paternalism.

Panama should take a close look Latin American armies are famous for military
coups Although painful, we should remember this when thinking of re-militarizing the country "

"Serious Turn For Latin American Democracy"

Conservative El Panama America had this editorial (1/23): "The ousting of Ecuadorean constitutional president Jamil Mahuad represents a serious turn for
Latin American democracy. What happened in Ecuador is a result of a combination
of poverty, unemployment, increasing inflation, asphyxiating debt, abuse of wealth by a few, endemic corruption and an omnipresent military force. What

happened is relevant to us [Panama]. The United States must have resented the loss of bases in Panama, and we assume that they will soon assert pressure to find a substitute. It is also advice if corruption does not stop and the Panamanian social problems are not attended to adequately."

"Shackles Of Neo-Liberalism"

A front page editorial of sensationalist El Siglo (1/23) said: "The real promoters of the coup are the world power countries, who through unilateral and obligating imposition of the most inhuman economic policies, disguised by absurd neo-liberalism, have engraved the shackles of a subtle neo-slavery. The black clouds over Ecuador warns of very difficult times to come "

"Important That Process Of Democratization Not Be Interrupted"

Independent La Prensa said (1/23): "The most important thing now is that the process of democratization in Latin America not be interrupted and that the sister nation does not pay a cost much higher than what has resulted from the errors of those who have governed it."

"Crisis Must Be Solved Institutionally"

Independent La Prensa had this front page editorial (1/22): "The solution is not in the rupture of the constitutional order, in the establishment of a de facto government nor in the disregard of the rights of a nation. The Ecuadorean crisis must be solved institutionally, with the...efforts of...the country's political class.... The OAS has a crucial role to play to prevent Ecuador falling into anarchy with the possible risk of a civil war that would worsen the already delicate situation affecting it."

"People Should Reject Army's Involvement"

Pro-PRD La Estrella de Panama front paged the editorial column "La Estrella Opina" (1/22): "If every time a group protests or claims a right...and a president is obligated to abandon his position, democracy...will become like something in the cartoons. The people should reject the army's involvement in public activities."

PERU: "Ecuador: Disruption Of Democracy"

Straight-forward, respected El Comercio opined (1/23): "It is clear that bringing down Mahuad does not solve Ecuador's structural problems, brought on by the current economic chaos. On the contrary, the Ecuadorean political class needs to realize that this crisis will not be solved by means of an unconstitutional government, as the international community has noted. The governments of the United States, Colombia, Spain, Chile, and Peru, as well as the OAS and the Andean community, have expressed their solidarity with the democratically-elected president in Ecuador. The facts demonstrate that what Ecuador really needs is an economic stabilization program, although it seems that a certain sector of the Ecuadorean people is not ready to accept this."

"Military Coup In Ecuador"

Reliable, business-oriented Gestion had this editorial (1/22): "The United States urged the military in Ecuador to respect the constitutional order, and at the same time warned about the terrible consequences that continuing with the military coup would bring about. Besides being repulsive, disruption of the constitutional order will not solve Ecuador's serious problems. Moreover, these problems could be worsened by eventual international sanctions and because capital will be chased away by the instability and uncertainty. We hope that Ecuador can restore democracy as soon as possible."

"Ecuador In Crisis--Condemnable Coup Against Mahuad"

Strongly-opposition La Republica had this editorial (1/22): "Nothing justifies a military coup, nor the military replacement of a legitimately elected president. It is possible that a majority of Ecuadoreans regret their decision to vote for Mr. Mahuad, but one can punish poor elected officials only at the ballot box. We hope that a solution to this breakdown in the constitutional order can be found."

VENEZUELA: "The Ecuadorean Puzzle"

Leading, national, liberal El Nacional said in an editorial (1/25): "President Jamil Mahuad's overthrow does not solve Ecuador problems, but worsens them.... The indigenous people have legitimate complaints against the prevailing

economic
system that has failed to solve their problems and has put them on the economic
margins for decades. But on this occasion, indigenous people were used by military conspirators to create chaos, produce a situation of uncontrollable
instability and, thus stage the coup.... Gustavo Noboa had the presidency conferred upon him by the army, obviously violating the constitution. Noboa
himself...did not comply with his legal duties. Therefore, he bears the burden
of the original sin that will be on his regime.... The conspiracy became a burdensome fiasco. Meanwhile, the whole of Latin America, like a referee, views
this new incursion of the military power with concern.... The government of
Venezuela 'deplored but did not condemn' the acts since they were 'a sovereign
decision of the Ecuadoreans.' Or of the Ecuadorean army?"

EUROPE

GERMANY: "The Indigenous Indians As Friends Of The Military"

Eva Karnofsky had this to say in an editorial in centrist Sueddeutsche Zeitung
of Munich (1/24): "Vice President Noboa is now assuming a difficult job, since
the political scenario has not changed. The economy is in a slump, and the parties represented in parliament will be difficult to convince to pursue for a
brief period of time the congruent policy for the benefit of the country....
Every politician pursues his own policy, and is looking only for his personal--usually financial--advantage.... Over the past few years, many Latin
American countries tried to modernize their economies, but Ecuador failed with
these efforts due to the controversies among the parties....

"The new president will have to make up his mind if he wants to urge the organization of the indigenous Indians, the CONAIE, to cooperate in order to
help the country recover. Noboa wants to continue to pursue the neo-liberal
economic policy which has begun with the dollarization of the country. He will
have difficulties getting the support of the Conaie for this course, since it
continues to stick to the concept that it is the state, not private business,
that should play the main role.... Hardly any Ecuadorean felt insulted when the
military ignored the constitution for a few hours, since the people think

that
the military wants the best for the
country and not its destruction but the consolidation of democracy."

"Deja-Vu In Ecuador"

Hennerk Berlekamp said in an editorial in left-of-center Berliner Zeitung (1/24): "The situation is unclear but, nevertheless, familiar. Three years
ago, outraged protesters also besieged government buildings and forced a state
leader to flee.... However, this time we should show caution. The main reason
is that it was the army leadership under General Mendoza which controlled the
apparent chaos. Instead of backing unpopular...but at least democratically elected President Mahuad, the army purposefully aimed at his ouster and even
took power for a brief moment. Its arrogant view to 'monitor' the administration of Vice President Noboa indicates the future development to a
hidden military dictatorship a la Fujimori."

SPAIN: "Ecuador Adrift"

Liberal El Pais opined (1/23): "Ecuador, a failed state, has been on the point
of collapse for months. The social unrest that culminated in the occupation of
the Congress building by throngs of native people backed by certain military
units, has only continued to grow in a nation prostrated by a combination of
political and economic disasters that has left two-thirds of its 12 million inhabitants in grinding poverty. The new president, Gustavo Noboa, who will
theoretically remain in office until 2003, has announced that he will maintain
[his predecessors] economic dollarization policy, despite its adverse impact on
those least able to withstand the urgent and profound reforms that will have to
accompany it. The problem, in a country that has now touched bottom, is that
the authorities in Quito have few options left open."

RUSSIA: "Coup Favors U.S."

Semyon Novoprudsky wrote in reformist Izvestiya (1/25): "Ecuador's new president has stated that he will see the dollarization plan through, thereby
confirming his commitment to the cause of the deposed head of state. Ecuador has

no choice--it has to solve the debt problem, if its economy is to survive. So it has to maintain good relations with the United States, its main creditor. There is no doubt in anybody's mind in Ecuador that the military had to accept Noboa in the face of U.S. pressure. The outside world's concern over a breach of democratic norms in Ecuador has nothing to do with that. Noboa is sure to pursue a pro-American economic policy."
"Ecuador's Future Inspires No Optimism"

Karen Khachaturov stated in centrist Nezavisimaya Gazeta (1/25): "Ecuador's future inspires no optimism. Out-and-out corruption has become a symbol of power in that country. As it nears presidential elections, there is not a single candidate who could help break the impasse."

"Revolution Betrayed"

Nationalist opposition Sovetskaya Rossiya (1/25) ran this piece by Yevgeny Popov: "It seemed that the pro-American president's monetarist flight could change the history of that long-suffering nation. But the 'singing and dancing revolution' was betrayed. The Washington-controlled OAS condemned those events as an 'unconstitutional coup d'etat.' Based on that decision, U.S. emissaries, acting through special services and their agents of influence in Ecuador, used arm-twisting tactics against the insurgents' leaders."

"U.S. Forces Indians Into Retreat"

Under this headline, reformist Segodnya (1/24) carried a report by Aleksandr Mikhailov: "The junta only lasted a day and had to give up the reins in favor of the vice president. So rapid a return to civilian rule in Ecuador was due to the tough stand of the United States which threatened to freeze all financial aid to that country should the democratic system there be upset."

ASIA AND PACIFIC

CHINA: "What Caused Ecuadorean Government Reshuffle"

Yu Dingliang wrote in the official Beijing municipal Beijing Daily (Beijing Ribao), (1/24): "Blunders in economic policy and failure to secure the support

of the military are believed to be the two major factors contributing to Ecuadorean President Jamil Mahuad's stepping down."

INDONESIA: "Ecuador Affair Revives Political Discourse on Coup d'Etat"

Leading independent Kompas remarked (1/26): "The coup [in Ecuador] continues to receive attention because it flies in the face of the general international and regional trend. Coups are increasingly unpopular. Military coups d'etat will not gain the sympathy of an international community that is actively encouraging democratization, protection of human rights and preservation of the environment."

JAPAN: "Behind Coup Is Public Dissatisfaction With Economic slump"

Liberal Asahi editorialized (1/25): "The politically-influential military took advantage of the [indigenous] protest movement to depose the president. The question is whether or how newly-installed President Noboa will be able to settle the post-coup chaos.... The Asian economic crisis and Brazil's devaluation of the real significantly battered these Latin American countries' trade competitiveness and brought their economies to recession. Against such a background, publics have become frustrated about their governments' inability to turn around the present (ailing) economic situation. The continuing recessions, rising unemployment and other social inequalities have aggravated the Latin American political situation.... The international community must keep a close watch on the political situation in Ecuador.... The Noboa government must preserve democratic principles."

SOUTH KOREA: "Coup in Ecuador"

Conservative Segye Ilbo (1/24) commented: "Mahuad's inability to stop the country's economic slide, which got worse in the wake of the economic crisis in Asia, was the key factor that led to the coup, while his government's recent policy to allow use of the American dollar enflamed the situation further. Clearly, the new Noboa administration faces rough sailing in the days ahead."

VIETNAM: "Around The Dollarization in Ecuador"

Manh Kim commented in Sai Gon Giai Phong (Liberated Saigon--mouthpiece of Ho Chi Minh City's Communist Party, 1/28): "Is the United States using the unstable

economies and politics of Latin America to underhandedly encourage
countries
here to undertake dollarization and then in turn change them into a new
kind of
U.S. colonies? The world will have no rup, no rupia or no peso; only the
dollar! However, if a country replaces the state currency with the
dollar, it
may lose many things. Most importantly, state sovereignty will be erased
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national pride will fade away."
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\sb0 \sa0 \plain \fs22 \cf0 In advance of today's breaking news that Ecuadorea
n military officers who led the overthrow of President Jamil Mahuad last weeken
d have been detained, foreign media commentators this week generally condemned
the upsurge of "militarism," but focused much attention on Ecuador's domestic c
orruption and poverty as underlying causes of the rebellion. The U.S. diplomati
c intervention in favor of civilian rule was widely reported in news articles i
n the Ecuadorean press and elsewhere, but was not the focus of most editorials.
Many pundits saw the new government of President Gustavo Noboa as facing seve

re tests, and some were pessimistic that further social explosions could be avo
ided. Key points follow:
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to "times of dictatorial adventures we believed were gone forever," but many p
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\plain \fs22 \cf0 said, "Let's hope the elite has learned that the best form o
f government is one that satisfies the demands of its citizens in order to avoi
d destabilizing confrontations." Some commentators argued that Ecuador's coope
ration with U.S. anti-drug efforts--several mentioned U.S. use of the Manta air
base--and its strategic position in "the most conflictive zone in Latin Americ
a" justified the creation of "a sort of Marshall Plan" to rescue the economy.
Several analysts criticized the IMF, arguing that it had pressed former Preside
nt Mahuad "until he was left without margin for internal maneuver" and said the
IMF's support, "so long awaited by President Mahuad, has still not materialize
d." Analysts said the attempt to "grab power" by the indigenous movement--whi
ch cooperated in the military rebellion--was its "biggest mistake" because the
movement's very existence depended on a democratic order. One daily argued, ho
wever, that Ecuadorean Indians "used the wrong method, but their claims are leg
itimate."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \b \fs22 \cf0 VIEWS FROM THE REGION
\plain \fs22 \cf0 : Pundits in Chile, the Dominican Republic, Honduras, Panama
, Peru and Venezuela criticized the resurgence of "militarism" in Ecuador. Th
ey noted the "quick international reaction" as evidence that "it is increasingl
y difficult to remove a civilian government" and argued that "bringing down Mah
uad does not solve Ecuador's structural problems." Many analysts, however, foc
used as above on corruption and social inequalities as causes of the uprising a
nd saw them as daunting challenges facing President Noboa's government. A min
ority of commentators vigorously criticized neo-liberal economic policies and M
ahuad's "dollarization" plan. Arguing that "dollarization would be insanity,"
liberal
\plain \ul \fs22 \cf0 Folha de Sao Paulo
\plain \fs22 \cf0 held, "Ecuador has become a guinea pig for testing new exper
iments." Pundits in Mexico and Venezuela said the indigenous movement was "use
d" by "military conspirators."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \b \fs22 \cf0 ELSEWHERE
\plain \fs22 \cf0 : Calling Ecuador a "failed state," Madrid's liberal
\plain \ul \fs22 \cf0 El Pais
\plain \fs22 \cf0 maintained President Noboa's continuing the "dollarization p
olicy" of his predecessor would have an "adverse impact" on the poor but "the a
uthorities in Quito have few options left open." Moscow's reformist
\plain \ul \fs22 \cf0 Izvestiya
\plain \fs22 \cf0 argued that the Ecuadorean military "had to accept Noboa in
the face of U.S. pressure" and asserted that "Noboa is sure to pursue a pro-Ame
rican economic policy."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \i \fs22 \cf0 EDITOR: Bill

Richey
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \i \fs22 \cf0 EDITOR
'S NOTE: This survey is based on 65 reports from 19 countries, January 22-28.
Editorial excerpts are grouped by region; editorials from each country are lis
ted from the most recent date.
\par \pard \qc \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \t
x2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 WESTERN HEMISPHERE
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 ECUADO
R: "And When Does The U.S. Make Its Move?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Quito's l
eading, centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this by Editor-in-Chief Jose Hernandez (1/27): "What di
d the country get in exchange for the Manta base? Only trouble? What did it g
et out of being dragged into a regional strategy against drug trafficking, whic
h poses the risk of retaliation from the Colombian guerrillas?... Ecuador unde
rstands its regional obligations and its government has shown a willingness to
assume the costs. But if Washington wants regional stability, it cannot be ins
pired only by its own needs. Ecuador also has an agenda comprised of urgent ma
tters which, if not addressed, could play havoc with U.S. priorities in the reg
ion.... Domestically, the elite knows that it is responsible for the present t
ragedy of the country. We have to negotiate with the United States and the int
ernational organizations a sort of Marshall Plan to pull the country out of thi
s predicament. Mexico received aid; Brazil had the same treatment.... Applyi
ng our internal efforts and also negotiating external aid seem to be urgent an
d necessary tasks for the new government. The time has come for the country to
negotiate support, demanding due reciprocity."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Let's
Advance, With Transparency"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/27): "The terrible events of the last
few days are a call to foster national recuperation in an environment of trans
parency. The motto from now on: advance our fight against corruption."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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st Learn Our Lesson"
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centrist
\plain \ul \fs22 \cf0 El Comercio

\plain \fs22 \cf0 had this opinion column by Eduardo Galarraga (1/27): "Let's
 hope the elite has learned that the best form of government is one that satisf
ies the demands of its citizens in order to avoid destabilizing confrontations,
 and that it is fatal to give priority to demands by pressure groups while disr
egarding the wishes of the majority."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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ebels"
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centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this column (1/27): "It is not an exaggeration to say t
hat we have hit rock bottom and that we cannot continue like this any longer.
Dollarization was a kick given by a drowning Mahuad, so much so that public opi
nion was convinced that it was a decision made overnight and haphazardly. The
credibility of the president, after a brief recovery, nose-dived and he had to
leave. Such a launching of the dollarization project--and not dollarization pe
r se--was the crucial factor that resulted in the trampling down of the country
's institutions."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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International Effect"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 had this main editorial (1/27): "The events in Ecuador hav
e moved beyond our national borders and demand a reconciliation, at the contin
ental level, between the necessity for globalization and the demands for social
 justice in our countries.... There is a need for strategies aimed at reconci
ling the historical demands of globalization with the social situation which h
as been neglected in order to secure the world peace."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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iliation And Solidarity"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Quito's c
enter-left, influential
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this front-page editorial (1/27): "The challenges are e
normous. Ecuador needs to renegotiate with the holders of external debt. The
IMF support which was so long awaited by President Mahuad has still not materia
lized."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Threa
t From Washington Did Count"
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 said (1/26): "The diplomatic intervention by Washington duri
ng the coup in Ecuador that toppled President-elect Jamil Mahuad during the las
t weekend was constructive, said the
\plain \ul \fs22 \cf0 New York Times
\plain \fs22 \cf0 yesterday. In an editorial devoted to the events, the daily
reminds everyone that military meddling in politics has become rare in Latin A
merica during the past two decades. But Ecuador is a conspicuous and worrisome
exception because this is the second time in less than three years that an Ecu
adorean elected leader has been prematurely toppled from his position."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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ngton's Blindness"
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centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this by Editor-in-Chief Jose Hernandez (1/26): "What be
nefit did the IMF get by pressing Mahuad until he was left without margin for i
nternal maneuver? What did it get by restricting funds in such a way that it f
orced former President Mahuad to play the last card he had up his sleeve--dolla
rization? How costly is it for Washington if the instability which could resu
lt could lead to situations such as the ones in Colombia and Peru? How much mo
ney has Clinton given to Andres Pastrana for weapons and how many stingy dollar
s have the international organizations denied Ecuador for social policies? Wha
t blindness is this by a partner who even got a base in Manta!"
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rsion From The Bottom"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/26): "The country's image is very dam
aged.... Ecuador needs foreign investment or, at least, foreign credits to re
vamp an economy which has been further damaged by the crisis. Only confidence
will be able to allow dollarization and those processes aimed at cleaning up th
e economy to be successful."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "What
Do We Expect From Noboa?"

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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's centrist
\plain \ul \fs22 \cf0 Expreso
\plain \fs22 \cf0 had this opinion column by Byron Lopez headline (1/25): "[N
aboa] must do everything needed to sign an extradition treaty with the United S
tates so that country can send back all those white-collar thieves who are now
strolling on the beaches of Miami while the Ecuadorean people starve to death..
.. He must relieve the anguish suffered by thousands of Ecuadorean households
damaged by the seizure of their savings, which was camouflaged under the term '
freezing.' These were criminal measures taken by Mahuad and Ana Lucia Armijos
to repay favors to dishonest bankers. President Noboa should devote much of hi
s energies to this matter and return those funds to Ecuadoreans. There are neit
her legal nor logical explanations for what happened."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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elicate Military Subject"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 opined (1/25): "Corruption was censured by the military and
 indigenous people alike, but with a subversive and undisciplined attitude. We
 cannot overlook the fact that corruption is regarded as the state of the whole
 country, erroneous and dangerous as that is. It is positive that President No
boa has announced his personal intervention to face this scourge. In addition,
 we require concrete and well-designed actions to show that the country does no
t want corruption any more."
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 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \
plain \b \fs22 \cf0 "The Perspectives Of The Indigenous Movement"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Center-le
ft
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this opinion column by Carlos Arcos Cabrera (1/25): "Th
e attempt to grab power against democracy, or at its margin, is the biggest mis
take made by the indigenous movements.... The indigenous movement was made pos
sible by democracy, grew up with it, and has made important contributions to it
."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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thing Or Nothing? Nothing"
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ft

\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 had this opinion column by Felipe Burbano de Lara (1/25): "
Why pit the Indians against democracy when their movement has grown and become
legitimate in a democracy? The indigenous movement was perhaps the only demons
tration that this democracy--so despised by leftists--can still generate some p
articipation opportunities in order to fight for increased rights."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A Failed Coup, A Number Of Win
ners And Losers"
\plain \fs22 \cf0 \par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading, centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this column by Editor-in-Chief Jose Hernandez (1/23): "
The indigenous movement [CONAIE] is the biggest loser in this failed coup....
In the end, CONAIE had eyes bigger than its stomach: It wanted to become the g
overnment without having the foundation, the alliances, or the needed support.
 To change this mentality to a more democratic stance is one of the challenges
it will have to face in the future.... The elite lost again: CONAIE used the w
rong method, but their claims are legitimate. The elite trembled again in the
face of the actions from the most forgotten and neglected section of the popula
tion. It is still not clear whether this shock will awaken the social conscien
ce of the leadership."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The I
ndependence Of The President"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading, center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 judged (1/23): "Only profound institutional reforms and the
 concrete injection of immediate international financial assistance will help r
egain stability in Ecuador.... Ecuador is part of the most conflictive zone i
n Latin America and consequently deserves strategic attention due to highly vol
atile processes. The United States, in particular, will have to be consistent
with the position Ecuador adopted lately, especially because of the agreement g
ranted to use the Manta base, and its alignment with U.S. foreign policy. It w
ill be necessary for the presidents or ministers of foreign affairs from friend
ly countries to meet in an extraordinary session in the Ecuadorean capital. It
 is of the utmost importance to demand, effectively and immediately, extraordin
ary financial assistance. Otherwise, the Ecuadorean situation will be unmanage
able."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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er Week Starts"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Quito's l
eading, centrist

\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this editorial (1/24): "We need to preserve peace, work
, and justice, without losing sight of the urgency to examine the underlying re
asons for the actions that have been taken and their reverberations."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Democ
racy: Amidst Abuse And Coups"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this opinion column by Fabian Corral (1/23): "The coup
evidenced the cracks in the country, the fragility of our democracy, the perver
sity of the blockades, and the institutional crisis which also ensnared this ti
me, regrettably, the armed forces. It was shown that ours is a democracy trapp
ed amidst the blockade by its political parties, the selfishness of the elite,
and by sieges by social movements."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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20 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The Co
untry And A Dictatorial Adventure"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading,
centrist
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 had this four-column editorial (1/22): "The country listene
d astonished as the dramatic journey of yesterday...took us back to the times o
f dictatorial adventures we believed were gone forever.... What happened yeste
rday is a regrettable return to eras that seemed forgotten. The anguish of the
 crisis and of national problems cannot lead us to self-defeating extremes."

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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Defen
se Of The Constitution"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Center-le
ft, influential
\plain \ul \fs22 \cf0 Hoy
\plain \fs22 \cf0 observed in this front-page editorial (1/22): "This daily r
ejects the imposition of a dictatorship in Ecuador. The country demands uncond
itional respect for the constitutional order. Nobody has authority beyond that
order. No group can place their own interests over those of the country."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "In Th

e Face Of National Commotion"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Guayaquil
's (and Ecuador's) leading center-right
\plain \ul \fs22 \cf0 El Universo
\plain \fs22 \cf0 had this editorial (1/22): "The Ecuadorean people, due to t
he lack of historical perspicacity, have elected over and over again the same p
olitical class, which impoverished and corrupted the state; the same ones that
mocked the call for independent justice, for free participation by independents
, and for a new system of individual election. The majority of the Ecuadorean
people wants to maintain the constitutional order. But the political rules of
our society need profound changes; otherwise institutional stability, let alone
 the emergency economic plan we need so badly, will be impossible."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 ARGENT
INA:
\plain \fs22 \cf0
\plain \b \fs22 \cf0 "Confusing End In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in leading
\plain \ul \fs22 \cf0 Clarin
\plain \fs22 \cf0 read (1/27): "It is not simple to know if what happened in E
cuador...has been an institutional solution or a coup d'etat. The most painful
thing is that, under the current circumstances, it is of little importance to k
now if it is one thing or another, taking into account the situation of virtual
 anarchy and economic and social chaos overwhelming Ecuador.... After its war
with Peru and the climatic catastrophe caused by El Nino, Ecuador suffered the
worst economic crisis of the century and a permanent political instability....
 Little has changed in Ecuador after its president was overthrown. Noboa's prec
arious government will have to act in a more than tight corridor to satisfy bot
h economic power and social groups in crisis. Meanwhile, the support--through
a referendum--to the autonomy of the province where Guayaquil is located and th
e appearance of the indigenous movement are new elements which should not be di
sregarded in the difficult situation of Ecuador's democracy."\par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The Ecuadorean Mirror"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in daily-of-record
\plain \ul \fs22 \cf0 La Nacion
\plain \fs22 \cf0 read (1/25): "The continental political leadership should no
t sleep quietly--something is happening in Ecuador and other Latin American cou
ntries, and an easy passport to optimism is not taken for granted. In many cou
ntries in the region, the imperfect traditional social and productive balance i
s falling to pieces, and after that there is a horizon of uncertainty.... In
a notorious and reiterated way, the answers rehearsed vis-a-vis this process ar
e in many cases riskily immature. In Quito and Guayaquil, those answers have b
ecome popular uprisings, but in other places they took the form of 'caudillos'.
..or outdated populist movements or attempts of authoritarian democracy...like

in Venezuela or Peru. For the moment, and maybe for a long time, the main duty of our societies will be to look for the reason for those disturbing effects."

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rd \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \s
a0 \plain \b \fs22 \cf0 BOLIVIA: "Ecuador: Back To Zero"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Pro-business
\plain \ul \fs22 \cf0 La
\plain \fs22 \cf0 Razon had this comment (1/24): "What is left for the success or to do is to continue with such plans ('dollarization' has the support of int ernational organizations) and confront the structural problems of Ecuador and t he true reasons for the crisis. He must eliminate subsidies on hydrocarbons; do wnsize the growth of the state; lower import tariffs; free the price of the dol lar, in case they do not adopt it as their currency; promote individual activit ies; support exports and move forward towards privatization of state enterprise s."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Coup,
A Time Bomb"
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Catholic-church owned, left-leaning
\plain \ul \fs22 \cf0 Presencia
\plain \fs22 \cf0 said (1/24): "The violence and the break of the constitutio nal order in Ecuador demonstrate that neo-liberalism is ineffective in resolvin g the serious economic and social problems generated by the economic model. If the leaders of Latin America do not propose urgent solutions to the social pro blems, the movement in Ecuador could be the start of similar actions in the hem isphere."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \
b \fs22 \cf0 "Military-Indigenous Coup"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \
fs22 \cf0 Church-owned, left-leaning
\plain \ul \fs22 \cf0 Presencia
\plain \fs22 \cf0 (1/23) had this comment by Jose Gramunt: "We all knew that an indigenous uprising against the 'establishment' was being generated. The unp redictable factor was the military participation in the coup. The causes? The economic crisis that the government, now outcast, didn't know or couldn't over come, the 'dollarization' only in favor of the powerful, the fixing of savings accounts and trusts, the ample corruption. Last but not least, the abysmal soc ial/economic differences--a remote but sustained cause--repeated in all of Lati n America."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 BRAZIL
: "Tragedy In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx

720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 Folha de S. Paulo
\plain \fs22 \cf0 's economic section said (1/28): "Ecuador has become a guine
a pig for testing new experiments and old ideas that have failed in other natio
ns. Even so, the financial market has reacted positively.... Behind the mark
et's optimism, there is a growing conviction in the Northern Hemisphere that th
e Southern Hemisphere nations do not deserve their own currency.... Dollarizat
ion would be insanity. Probably the process would never begin, since it is har
d to imagine the United States signing a treaty making the Treasury and the Fed
 suppliers of bills and coins to other nations.... It is equally insane to thi
nk that a sovereign nation will only assume fiscal responsibility if it refrain
s from carrying out its own economic policy. It is the same colonialist view o
f the 15th century.... To think that dollarization would be successful in Ecua
dor does not make the slightest sense."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 CANADA
: "Strange Coup D'\'e9tat"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Editorial
ist Fr\'e9d\'e9ric Wagni\'e8re commented in centrist, French-language
\plain \ul \fs22 \cf0 La Presse
\plain \fs22 \cf0 (1/25): "President Noboa, who has adopted the dollarization
 project, could be faced with a new insurrection by Indians and poorly paid sol
diers, if he is unable to bring a spirit of honesty and financial rigor to a co
untry not used to such habits. A very tall order."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "On Th
e Razor's Edge"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Editorial
ist Serge Truffaut of the liberal, French-language
\plain \ul \fs22 \cf0 Le Devoir
\plain \fs22 \cf0 wrote (1/25): "If President Noboa does not fine-tune the fi
nancial policy of his predecessor, then last Friday's uprising will only have b
een the prelude to a large-scale social explosion."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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20 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 CHILE:
  "Lessons Of A Coup"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Governmen
t-owned, but editorially independent
\plain \ul \fs22 \cf0 La Nacion
\plain \fs22 \cf0 held (1/125): "The quick international reaction seems to sh

ow that it is becoming increasingly difficult to remove a civilian government a
nd not be punished. It is evident that anti-democratic actions will have to an
swer to the world.... It is therefore particularly encouraging that not only t
he international community, but the people of Ecuador themselves condemned the
attempted coup, leaving democracy as the means to resolve their problems."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Coup
In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading-circulation popular, indepe
ndent
\plain \ul \fs22 \cf0 La Tercera
\plain \fs22 \cf0 judged (1/25): "The international community's rejection of
the coup must stand as a lesson.... In today's world there is no place for abu
ses. Without the threat of international rejection, the continent could have t
oday two authoritarian regimes, one in Paraguay and the other in Ecuador.... T
he threat of international isolation and rejection is a deterrent."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Speak
ing Of Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Metropolitano
\plain \fs22 \cf0 (1/23) ran this editorial: "After a century characterized b
y the bad experience of having different kinds of dictatorships, it is evident
to mankind that liberal democracy is the best way of resolving conflicts and of
organizing cohabitation. On the other hand, the events in Ecuador also demons
trate that the consolidation of democratic systems require appropriate attentio
n to resolving social demands."
\par \pard \li720 \fi0 \ri720 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl2
40 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain
\b \fs22 \cf0 DOMINICAN REPUBLIC: "Disturbances"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Top-circu
lation, left-of-center tabloid
\plain \ul \fs22 \cf0 El Nacional
\plain \fs22 \cf0 opined (1/26): "No matter how hateful [his] economic policy
was and how heartfelt were the requests of popular groups, the coup d'etat tha
t just happened in Ecuador against President Jamil Mahuad deserves the stronges
t repulse.... Democracy has, however, other institutional mechanisms to solve
political conflicts...without having to resort to the odious interruption of th
e establishment through the hateful coup d'etats."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 HONDUR
AS:
\plain \fs22 \cf0

\plain \b \fs22 \cf0 "Historically Excluded Interrupted Latin American History"

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Heraldo
\plain \fs22 \cf0 commented in its full-length editorial (1/24): "Despite a g
lobal society, in which supposedly there exists only one form of thought as to
how to govern and a consensus over formal democracy, the historically excluded,
whether rightly or wrongly, have interrupted contemporary Latin American histo
ry to show that everything really isn't going well and that many things remain
to be reviewed and amended."
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Milit
arism No Longer Has A Place"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 noted (1/24): "What has happened (in Ecuador) shows that mi
litarism no longer has a place in our America. No other option exists for thes
e people to carry out the changes needed than the democratic road. Militarism
is a page from the past.... Let's hope that Ecuador...looks for development op
tions which will consolidate democracy and distance it from the danger which co
up d'etats represent."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "We Ca
nnot Separate The Economic From The Political"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Nuevo Dia
\plain \fs22 \cf0 said (1/24): "Some nations, such as Chile, have learned how
to handle the transition (to a market economy) with efficiency and stability,
while others, like Ecuador, have not been able to manage the transition in an a
ppropriate manner. The principal
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 reason be
ing that these latter countries have wanted to have the best of both worlds. T
hat is to say, to continue with statism while at the same time promoting free m
arkets. This contradiction is exceedingly dangerous as it paralyzes the econom
y and discourages both domestic and international investment.... The accelera
ted unemployment, increasing poverty and social instability which emerged under
the government of President Mahuad are signs that tell us that in our countrie
s, Honduras included, we cannot separate the economic from the political; and a
s a result, a great effort must be made to obtain stability and growth.... The
decision of the Ecuadorean military, induced through international pressure, t
o annul the junta and deliver power to the vice president of the Republic in Ec

uador indicates that the soldiers understand that we live in different times.
But the consolidation of democracy, there as in the rest of Latin America, wil
l require an intelligent and efficient struggle against insecurity, poverty and
the marginalization of large majorities. The message is perfectly clear--will
the political leaders in this part of the hemisphere listen?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A New
Chapter Of Uncertainty"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Heraldo
\plain \fs22 \cf0 said in its front page mini-editorial (1/22): "Another pres
ident has been 'dethroned,' opening up a new chapter of uncertainty, of elector
al promises, of demagogy and irresponsibility. The only thing that is clear fr
om Ecuador is that it is an example that the other nations of the continent mus
t not follow and that it is foolish to return to the field of economic experime
nts which only serve to add fuel to the fire."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 MEXICO
: "Bad Omen"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 Reforma
\plain \fs22 \cf0 carried this column by opposition politician Felipe Calderon
(1/27): "It is astonishing how easy the coup d'etat in Ecuador was generally
accepted all over the world. This is a bad omen for a century where democracy
is supposed to prevail.... The manipulation of the indigenous people was the t
rademark of the coup. The Ecuadorean armed forces camouflaged their real objec
tives behind the indigenous demonstration. This strategy succeeded outside Ecu
ador. The news abroad spoke mostly about an indigenous rebellion, not of a mil
itary coup.... With regards to the Ecuadorean economy, Mahuad's decision to
dollarize the economy was the straw that broke the camel's back, particularly b
ecause he did not have the political support to implement it. In 1983, the Isr
aeli Finance Minister had to resign after having suggested the dollarization of
the Israeli economy.... This is a touchy issue not only in economic terms, bu
t also because it has to do with other factors such as national identity, histo
ry, political institutions and what are the long-term goals of the country."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Drama
Of Indians"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Nationali
st/independent
\plain \ul \fs22 \cf0 El Universal
\plain \fs22 \cf0 (1/26) carried this by Eugenio Anguiano Roch: "This could be
a comic episode in Ecuador's history were it not for the drama of the Ecuadore

an Indians and of the poorest in urban areas. The coup was orchestrated by the armed forces, by the powerful and influential financial sectors and by the mos t conservative political elements.... Facing the possibility that general Car los Mendoza could install himself permanently in power, Washington made it sure that general Mendoza would take a step backwards and that he would restore a d emocracy that has proven so far to be very weak and ineffective."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "A Cal l From Washington"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Nationali st/pro-government
\plain \ul \fs22 \cf0 Excelsior
\plain \fs22 \cf0 (1/26) ran this piece by Jeanette Becerra Acosta: "It is sim ply absurd for a general who has staged a coup to announce shortly thereafter h is resignation and also his retirement from the military to attend personal mat ters--unless, of course, he receives a call from Washington."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \ par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Who Used The Indians?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Left-of-c enter
\plain \ul \fs22 \cf0 La Jornada
\plain \fs22 \cf0 (1/25) carried this by Pedro Miguel: "The recomposition of power as a result of the coup yielded benefits for the army, for the economic a nd political influential classes and also for investors. However, those who le ft their sweat in the roads leading to Quito and who were exposed to the possib ility of having been repressed got no gain at all. Who used them?"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "The N ightmare Is Not Over"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe nt
\plain \ul \fs22 \cf0 Reforma
\plain \fs22 \cf0 (1/25) carried this column by Sergio Sarmiento: "Clearly, t he nightmare in Ecuador is not over yet. The old populist sympathizers in Ecua dor--as in Mexico--will use the indigenous as the pretext to impose economic me asures that are doomed to failure. At the end, the victims will be the poorest --as they always are."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288 0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx 720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Crisi s In Ecuador"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editor
ial in nationalist
\plain \ul \fs22 \cf0 La Cronica
\plain \fs22 \cf0 (1/20) stated: "In an absolute unusual and desperate develo
pment several indigenous groups have requested the ousting of the government an
d the army to take over power.... Those who have participated in the demonstra
tions have called for a return to a populist regime. We could say that the sha
dow of Hugo Chavez is present. It will be very difficult to convince them that
this is not the way out after so many years of suffering."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Mahua
d, Too Little Too Late"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 An editorial in left of center
\plain \ul \fs22 \cf0 La Jornada
\plain \fs22 \cf0 said (1/20): "Mahuad has been left on his own by the IMF af
ter declaring a moratorium on Ecuador's foreign debt service, thus he is trying
gain some breathing room by selling Ecuador's oil almost at any price to any b
uyer.... The fact remains that those Latin American governments who are stubbo
rnly furthering the application of neo-liberal formulas bring about permanent s
acrifices on the population. They should look at themselves in Ecuador's mirro
r and act accordingly--that is, to mend their ways."
\par \pard \li720 \fi0 \ri720 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl2
40 \sb0 \sa0 \plain \b \fs22 \cf0 PANAMA: "Ecuador's Lesson"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \
fs22 \cf0 Tabloid
\plain \ul \fs22 \cf0 El Siglo
\plain \fs22 \cf0 had this column by Adolfo Benedetti (1/28): "Seen from the P
anamanian perspective the problems in South America are a sign for our governme
nts and the political sector in general, concerning the frailty of their power,
which does not resist the weight of popular pressure.... The events in Quito
may create a political wave of fatal consequences for the democratic balance in
the rest of the hemisphere.... The lesson should be taken by Panamanians as a
sign to reorganize our work and state priorities to avoid a coup that may thro
w overboard, the leaders of our nation that need to shape up."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \b \fs22 \cf0 "Military Coup Attempt Causes Instability In La
tin America"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Panama America
\plain \fs22 \cf0 had this by Henry Raymont (1/24): "This most recent, dramat
ic episode for Ecuador at the verge of an economic abyss shows the specter of i
nstability of Latin America...at the dawn of the 21st century. Just as dramati
c was the international rejection of the coup."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Mahuad Overthrown For Incompete
ncy"
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 El Universal de Panama
\plain \fs22 \cf0 's front page editorial column commented (1/23): "The [U.S.]
interest in keeping Manta's Air Base forces them to keep a measurable and caut
ious attitude. Mahuad has been overthrown for incompetency for promoting neo-
populism not based on the productive capabilities of the people, but in a poor
Third World paternalism.
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Panama sh
ould take a close look Latin American armies are famous for military coups Al
though painful, we should remember this when thinking of re-militarizing the co
untry "
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Serio
us Turn For Latin American Democracy"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 El Panama America
\plain \fs22 \cf0 had this editorial (1/23): "The ousting of Ecuadorean const
itutional president Jamil Mahuad represents a serious turn for Latin American d
emocracy. What happened in Ecuador is a result of a combination of poverty, un
employment, increasing inflation, asphyxiating debt, abuse of wealth by a few,
endemic corruption and an omnipresent military force. What happened is releva
nt to us [Panama]. The United States must have
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 resented the loss of bases in Panam
a, and we assume that they will soon assert pressure to find a substitute. It
is also advice if corruption does not stop and the Panamanian social problems
are not attended to adequately."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 "Shack
les Of Neo-Liberalism"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 A front p
age editorial of sensationalist
\plain \ul \fs22 \cf0 El Siglo
\plain \fs22 \cf0 (1/23) said: "The real promoters of the coup are the world
power countries, who through unilateral and obligating imposition of the most i
nhuman economic policies, disguised by absurd neo-liberalism, have engraved the
shackles of a subtle neo-slavery. The black clouds over Ecuador warns of very
difficult times to come "
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tant That Process Of Democratization Not Be Interrupted"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Independe
nt
\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 said (1/23): "The most important thing now is that the proc
ess of democratization in Latin America not be interrupted and that the sister
nation does not pay a cost much higher than what has resulted from the errors o
f those who have governed it."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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s Must Be Solved Institutionally"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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nt
\plain \ul \fs22 \cf0 La Prensa
\plain \fs22 \cf0 had this front page editorial (1/22): "The solution is not
in the rupture of the constitutional order, in the establishment of a de facto
government nor in the disregard of the rights of a nation. The Ecuadorean cris
is must be solved institutionally, with the...efforts of...the country's politi
cal class.... The OAS has a crucial role to play to prevent Ecuador falling in
to anarchy with the possible risk of a civil war that would worsen the already
delicate situation affecting it."
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \
b \fs22 \cf0 "People Should Reject Army's Involvement"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Pro-PRD
\plain \ul \fs22 \cf0 La Estrella de Panama
\plain \fs22 \cf0 front paged the editorial column "La Estrella Opina" (1/22):
"If every time a group protests or claims a right...and a president is obliga
ted to abandon his position, democracy...will become like something in the cart
oons. The people should reject the army's involvement in public activities."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 PERU:
\plain \fs22 \cf0
\plain \b \fs22 \cf0 "Ecuador: Disruption Of Democracy"
\plain \fs22 \cf0
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240
\sb0 \sa0 \plain \fs22 \cf0 Straight-forward, respected
\plain \ul \fs22 \cf0 El Comercio
\plain \fs22 \cf0 opined (1/23): "It is clear that bringing down Mahuad does
not solve Ecuador's structural problems, brought on by the current economic cha
os. On the contrary, the Ecuadorean political class needs to realize that this
crisis will not be solved by means of an unconstitutional government, as the i
nternational community has noted. The governments of the United States, Colomb
ia, Spain, Chile, and Peru, as well as the OAS and the Andean community, have e
xpressed their solidarity with the democratically-elected president in Ecuador.
The facts demonstrate that what Ecuador really needs is an economic stabiliza

tion program, although it seems that a certain sector of the Ecuadorean people is not
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 ready to accept this."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 "Military Coup In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 Reliable, business-oriented
\plain \ul \fs22 \cf0 Gestion
\plain \fs22 \cf0 had this editorial (1/22): "The United States urged the military in Ecuador to respect the constitutional order, and at the same time warned about the terrible consequences that continuing with the military coup would bring about. Besides being repulsive, disruption of the constitutional order will not solve Ecuador's serious problems. Moreover, these problems could be worsened by eventual international sanctions and because capital will be chased away by the instability and uncertainty. We hope that Ecuador can restore democracy as soon as possible."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \b \fs22 \cf0 "Ecuador In Crisis--Condemnable Coup Against Mahuad"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \plain \fs22 \cf0 Strongly-opposition
\plain \ul \fs22 \cf0 La Republica
\plain \fs22 \cf0 had this editorial (1/22): "Nothing justifies a military coup, nor the military replacement of a legitimately elected president. It is possible that a majority of Ecuadoreans regret their decision to vote for Mr. Mahuad, but one can punish poor elected officials only at the ballot box. We hope that a solution to this breakdown in the constitutional order can be found."

\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 VENEZUELA: "The Ecuadorean Puzzle"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading, national, liberal
\plain \ul \fs22 \cf0 El Nacional
\plain \fs22 \cf0 said in an editorial (1/25): "President Jamil Mahuad's overthrow does not solve Ecuador problems, but worsens them.... The indigenous people have legitimate complaints against the prevailing economic system that has failed to solve their problems and has put them on the economic margins for decades. But on this occasion, indigenous people were used by military conspirators to create chaos, produce a situation of uncontrollable instability and, thus stage the coup.... Gustavo Noboa had the presidency conferred upon him by the army, obviously violating the constitution. Noboa himself...did not comply with his legal duties. Therefore, he bears the burden of the original sin that will be on his regime.... The conspiracy became a burdensome fiasco. Meanwhile, the whole of Latin America, like a referee, views this new incursion of the military power with concern.... The government of Venezuela 'deplored but did not condemn' the acts since they were 'a sovereign decision of the Ecuadoreans.' Or of the Ecuadorean army?"

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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 GERMAN
Y: "The Indigenous Indians As Friends Of The Military"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Eva Karno
fsky had this to say in an editorial in centrist
\plain \ul \fs22 \cf0 Sueddeutsche Zeitung
\plain \fs22 \cf0 of Munich (1/24): "Vice President Noboa is now assuming a d
ifficult job, since the political scenario has not changed. The economy is in
a slump, and the parties represented in parliament will be difficult to convinc
e to pursue for a brief period of time the congruent policy for the benefit of
the country.... Every politician pursues his own policy, and is looking only f
or his personal--usually financial--advantage.... Over the past few years, ma
ny Latin American countries tried to modernize their economies, but Ecuador fai
led with these efforts due to the controversies among the parties....
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 "The new
president will have to make up his mind if he wants to urge the organization o
f the indigenous Indians, the CONAIE, to cooperate in order to help the country
recover. Noboa wants to continue to pursue the neo-liberal economic policy wh
ich has begun with the dollarization of the country. He will have difficulties
getting the support of the Conaie for this course, since it continues to stick
to the concept that it is the state, not private business, that should play th
e main role.... Hardly any Ecuadorean felt insulted when the military ignored
the constitution for a few hours, since the people think that the military want
s the best for the
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 country and not its destruction but
the consolidation of democracy."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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\sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \
plain \b \fs22 \cf0 "Deja-Vu In Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Hennerk B
erlekamp said in an editorial in left-of-center
\plain \ul \fs22 \cf0 Berliner Zeitung
\plain \fs22 \cf0 (1/24): "The situation is unclear but, nevertheless, famili
ar. Three years ago, outraged protesters also besieged government buildings an
d forced a state leader to flee.... However, this time we should show caution.
The main reason is that it was the army leadership under General Mendoza which
controlled the apparent chaos. Instead of backing unpopular...but at least de
mocratically elected President Mahuad, the army purposefully aimed at his ouste
r and even took power for a brief moment. Its arrogant view to 'monitor' the a
dministration of Vice President Noboa indicates the future development to a hid

den military dictatorship a la Fujimori."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 SPAIN:
 "Ecuador Adrift"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 El Pais
\plain \fs22 \cf0 opined (1/23): "Ecuador, a failed state, has been on the po
int of collapse for months. The social unrest that culminated in the occupatio
n of the Congress building by throngs of native people backed by certain milita
ry units, has only continued to grow in a nation prostrated by a combination of
 political and economic disasters that has left two-thirds of its 12 million in
habitants in grinding poverty. The new president, Gustavo Noboa, who will theo
retically remain in office until 2003, has announced that he will maintain [his
 predecessors] economic dollarization policy, despite its adverse impact on tho
se least able to withstand the urgent and profound reforms that will have to ac
company it. The problem, in a country that has now touched bottom, is that the
 authorities in Quito have few options left open."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 RUSSIA
: "Coup Favors U.S."
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Semyon No
voprudsky wrote in reformist
\plain \ul \fs22 \cf0 Izvestiya
\plain \fs22 \cf0 (1/25): "Ecuador's new president has stated that he will se
e the dollarization plan through, thereby confirming his commitment to the caus
e of the deposed head of state. Ecuador has no choice--it has to solve the debt
 problem, if its economy is to survive. So it has to maintain good relations w
ith the United States, its main creditor. There is no doubt in anybody's mind
in Ecuador that the military had to accept Noboa in the face of U.S. pressure.
 The outside world's concern over a breach of democratic norms in Ecuador has n
othing to do with that. Noboa is sure to pursue a pro-American economic policy
."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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timism"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Karen Kha
chaturov stated in centrist
\plain \ul \fs22 \cf0 Nezavisimaya Gazeta
\plain \fs22 \cf0 (1/25): "Ecuador's future inspires no optimism. Out-and-ou
t corruption has become a symbol of power in that country. As it nears presiden
tial elections, there is not a single candidate who could help break the impass
e."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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ution Betrayed"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Nationali
st opposition
\plain \ul \fs22 \cf0 Sovetskaya Rossiya
\plain \fs22 \cf0 (1/25) ran this piece by Yevgeny Popov: "It seemed that the
pro-American president's monetarist flight could change the history of that lo
ng-suffering nation. But the 'singing and dancing revolution' was betrayed. T
he Washington-controlled OAS condemned those events as an 'unconstitutional cou
p d'etat.' Based on that decision, U.S. emissaries, acting through special serv
ices and their agents of influence in Ecuador, used arm-twisting tactics agains
t the insurgents' leaders."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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Forces Indians Into Retreat"
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0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Under thi
s headline, reformist
\plain \ul \fs22 \cf0 Segodnya
\plain \fs22 \cf0 (1/24) carried a report by Aleksandr Mikhailov: "The junta o
nly lasted a day and had to give up the reins in favor of the vice president.
So rapid a return to civilian rule in Ecuador was due to the tough stand of the
United States which threatened to freeze all financial aid to that country sho
uld the democratic system there be upset."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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AND PACIFIC
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 CHINA:
"What Caused Ecuadorean Government Reshuffle"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Yu Dingli
ang wrote in the official Beijing municipal
\plain \ul \fs22 \cf0 Beijing Daily
\plain \fs22 \cf0 (
\plain \ul \fs22 \cf0 Beijing Ribao
\plain \fs22 \cf0), (1/24): "Blunders in economic policy and failure to secure
the support of the military are believed to be the two major factors contribut
ing to Ecuadorean President Jamil Mahuad's stepping down."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 INDONE
SIA: "Ecuador Affair Revives Political Discourse on Coup d'Etat"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Leading i
ndependent
\plain \ul \fs22 \cf0 Kompas

\plain \fs22 \cf0 remarked (1/26): "The coup [in Ecuador] continues to recei
ve attention because it flies in the face of the general international and regi
onal trend. Coups are increasingly unpopular. Military coups d'etat will not
gain the sympathy of an international community that is actively encouraging de
mocratization, protection of human rights and preservation of the environment."
\par
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 JAPAN: "Behind Coup Is Public D
issatisfaction With Economic slump"
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720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Liberal

\plain \ul \fs22 \cf0 Asahi
\plain \fs22 \cf0 editorialized (1/25): "The politically-influential military
 took advantage of the [indigenous] protest movement to depose the president. T
he question is whether or how newly-installed President Noboa will be able to s
ettle the post-coup chaos.... The Asian economic crisis and Brazil's devaluati
on of the real significantly battered these Latin American countries' trade com
petitiveness and brought their economies to recession. Against such a backgrou
nd, publics have become frustrated about their governments' inability to turn a
round the present (ailing) economic situation. The continuing recessions, risin
g unemployment and other social inequalities have aggravated the Latin American
 political situation.... The international community must keep a close watch
on the political situation in Ecuador.... The Noboa government must preserve d
emocratic principles."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
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KOREA: "Coup in Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Conservat
ive
\plain \ul \fs22 \cf0 Segye Ilbo
\plain \fs22 \cf0 (1/24) commented: "Mahuad's inability to stop the country's
 economic slide, which got worse in the wake of the economic crisis in Asia,
was the key factor that led to the coup, while his government's recent policy t
o allow use of the American dollar enflamed the situation further. Clearly, th
e new Noboa administration faces rough sailing in the days ahead."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \b \fs22 \cf0 VIETNA
M: "Around The Dollarization in Ecuador"
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx
720 \tx1440 \tx2160 \tx2880 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 Manh Kim
commented in
\plain \ul \fs22 \cf0 Sai Gon Giai Phong
\plain \fs22 \cf0 (
\plain \ul \fs22 \cf0 Liberated Saigon
\plain \fs22 \cf0 --mouthpiece of Ho Chi Minh City's Communist Party, 1/28): "
Is the United States using the unstable economies and politics of Latin America
 to underhandedly encourage countries here to undertake dollarization and then

in turn change them into a new kind of U.S. colonies? The world will have no r
up, no rupia or no peso; only the dollar! However, if a country replaces the s
tate currency with the dollar, it may lose many things. Most importantly, stat
e sovereignty will be erased and national pride will fade away."
\par \pard \li720 \fi0 \ri0 \sl240 \sb0 \sa0 \tx0 \tx720 \tx1440 \tx2160 \tx288
0 \tx3600 \tx4320 \tx5040 \plain \fs22 \cf0 ##
\par \pard \li0 \fi0 \ri0 \sl240 \sb0 \sa0 }========== END ATTACHMENT 1 ==========

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Lucie-Anne_Radimsky to Paul K. Engskov at 15:14:42.00. Subject: G7 info. (6 pages)	02/01/2000	Personal Misfile

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
WHO ([Latin America, IMF])
OA/Box Number: 500000

FOLDER TITLE:
[01/06/2000 - 02/01/2000]

2019-0152-F
ab1706

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
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Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. email	Paul K Engskov to Lucie-Anne at 14:47:05.00. Subject: Re: [none] (3 pages)	02/01/2000	Personal Misfile

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
WHO ([Latin America, IMF])
OA/Box Number: 500000

FOLDER TITLE:
[01/06/2000 - 02/01/2000]

2019-0152-F
ab1706

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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