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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Tanya James to [list] at 18:41:57.00. Subject: Daily digest: Indonesia Sending Wrong Signals on Reform. [partial] (1 page)	03/25/1998	P3/b(3)
002. email	USIA_Media_Reaction to [list] at 11:52:35.00. Subject: Early Report 4/14: Northern Ireland Peace Accord. [partial] (1 page)	04/14/1998	P3/b(3)
003.	USIA_Media_Reaction to [list] at 11:55:14.00. Subject: Early Report 4/17: Clinton/Chile, Japan/G-7, Pol Pot. [partial] (1 page)	04/17/1998	P3/b(3)

COLLECTION:
Clinton Presidential Records
Tape Restoration Project [Email]
WHO ([Latin America, IMF])
OA/Box Number: 500000

FOLDER TITLE:
[03/25/1998 - 04/17/1998]

2019-0152-F
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ARMS Email SystemRECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Tonya_James (Tonya_James@notes1.usia.gov [UNKNOWN])

CREATION DATE/TIME:25-MAR-1998 18:41:57.00

SUBJECT: Daily Digest: INDONESIA 'SENDING WRONG SIGNALS ON REFORM'?

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TEXT:
Over the past two weeks, analysts in East and South Asia--and lone commentators in Canada and Argentina--remained seized with the as yet unresolved talks between Indonesia and the IMF on that country's precarious financial situation. The bulk of the commentary--including editorials from Indonesia--expressed a strong desire for a resolution of the Indonesia-IMF "standoff," and was highly critical of the new cabinet appointed by President Soeharto earlier this month. Most writers judged that the new cabinet lineup, which includes the president's daughter and other ministers seen as "anti-reform," sent the "wrong signals" to the international community and was unlikely to restore confidence in Indonesia's economy. A number of pundits contrasted the cases of Indonesia and Thailannd, noting that Thai Prime Minister Chuan Leekpai garnered praise--and financial support--from the Clinton administration when he visited Washington in mid-March. Singapore's pro-government Straits Times, for example, extolled Mr. Chuan's "deft housekeeping" which it said appears to have planted

Thailand's "feet...firmly on the road to recovery," but cautioned that recovery could be "swept off course again if turmoil is allowed to continue in the neighborhood." Following are highlights of the commentary from Indonesia and from East and South Asia:

INDONESIA: 'DEMONSTRATING OUR INCONSISTENCY TO THE WORLD'--The press in Indonesia--normally extremely reticent about expressing views critical of the government--lamented its country's "inconsistency" with regard to the IMF reform packages for Indonesia, now in a third round of negotiations. "From the moment we asked for IMF help...we have been demonstrating to the world our inconsistency--we have kept losing face," declared independent Media Indonesia. "The IMF package is a serious matter that should have been prudently considered from the outset," asserted pro-government, Islamic-oriented weekly Ummat. Papers from across the political spectrum also featured exceptionally direct and harsh criticism of Mr. Soeharto's cabinet. Weighing in with Media Indonesia, which held that the Indonesian public viewed "with horror" the induction of the new ministers as being "the very people who scarcely have any public accountability," leading, independent Kompas and others insisted that the new cabinet "does not reflect the sense of crisis and urgency we demanded." "The face of the new cabinet is not pretty," Ummat averred, "and the impression of nepotism cannot be avoided."

OTHER ASIAN VIEWS: 'AN END TO INDONESIA'S DELAYING TACTICS'--In addition to echoing the Indonesian media's charges of "nepotism" and "cronyism" within Mr. Soeharto's group of top advisors, editorials in the region and beyond called on Indonesia to end its "delaying tactics" with regard to the

IMF. Philippine papers stressed that the ASEAN policy of non-interference in the internal affairs of member countries was being "carried too far," suggesting: "Surely the regional grouping can send a message to Soeharto that he must get his house in order before it's too late." In Singapore, a pro-government paper likewise opined: "The rest of the region cannot possibly agree to be held hostage to Indonesia's fortunes."

This survey is based on 55 reports from 12 countries, March 13 - 25.

EDITOR: Kathleen J. Brahney

EAST ASIA AND PACIFIC

INDONESIA: "Waves Of Questioning"

The independent Media Indonesia held (3/25): "In the uncertain political situation, something is boggling our mind, the ongoing questioning of intellectuals, artists and public leaders that has been getting quite intense during the past three months.... This rising tide of questioning deserves our attention. The delay in bringing those cases to court could be counterproductive as they may lead to charges of human rights violations.... A good government is one that tries to win people's sympathy as much as possible."

"Demonstrating Our Inconsistency To The World"

The independent Media Indonesia asserted (3/24): "From the moment we asked for IMF help to take us out of the current monetary crisis, we have been demonstrating to the world our inconsistency--we have kept losing face....

Indonesia's inconsistency has been so bad that the talks with the IMF took more than four months. Now, another IMF team is in Jakarta to renegotiate the package that was agreed to last January.... The conflict between the IMF and Indonesia, in fact, lies in the understanding of a market economy. The IMF assumed that we agreed to impose a market economy when we signed the package. But, what shocked the IMF was that we understood that a market economy has to serve monopolies.... Indeed, we have yet to appreciate market rules and market sovereignty. We see market sentiments as a danger to our sovereignty. As long as our economic management belittles the market economy, we will be shamed by our own policies. And, the world will be laughing at our capability, competence and consistency."

"Toward Compromise"

Business-oriented Bisnis Indonesia asserted (3/23): "All members of the government negotiating team are optimistic about the outcome of the talks with the IMF, so, too, IMF Asia-Pacific Director Hubert Neiss.... The sense of the Indonesian public that it was impossible for Indonesia to operate the currency board systen--at least for the time being--seemed sufficient for the IMF. In the past, our weakness may have been that we often made hasty decisions. This policy might have had good objectives, but it lacked sound implementation and communication.... In the current situation, the public is able to accept the government's policies, such as the new tax on sales of foreign currencies and the plan to control exchange rates. So long as the policy is aimed at creating currency stabilization, there will be no reason for us to reject it. However, we can call on the government to explain things according to their short- and long-term

nature."

"Critique For The President"

Pro-government, Islamic-oriented news weekly Ummat observed (3/23): "Approving--or rejecting--the IMF package is a serious matter that should have been prudently considered from the outset. And, due to its significance, it should have not been left to only one person to make such a decision.... Making inquiries, criticizing, and staging protest demonstrations are natural mechanisms that enable us to correct flawed government policies. In fact, neither harsh criticisms nor demonstrations would be necessary if we had an effective system in the parliament. Unfortunately, each day, both our House of Representatives (DPR) and the People's Consultative Assembly (MPR) lose more credibility...because of the dominant presence of nepotism."

"A Cabinet Without Reform"

Pro-government, Islamic-oriented news weekly Ummat featured this column by Afan Gaffar, who asserted (3/23): "With the new cabinet lineup, Soeharto apparently has no agenda for reform--as can be seen from those in the cabinet who are known for their anti-reform stances.... It is difficult to avoid the impression of nepotism in the cabinet with (President Soeharto's

daughter) Tutut as minister of social affairs. Indeed, she is one of the Golkar Party leaders, but she is also a daughter of the president. Thus the face of the new cabinet is not pretty, and the impression of nepotism cannot be avoided."

"Learning From China"

Independent Berita Buana editorialized (3/20): "The replacement of key figures and changes in policies during the People's Congress demonstrated that the Chinese government is trying to gain support from all of its people.... The Chinese parliament appreciated Qian Qichen's courage to resign as foreign minister because of his age. Qian Qichen's ability to evaluate his own capacity is characteristic of wise leaders.... The changes now taking place in China are appropriate examples for other countries, including Indonesia, to follow."

"On Clean Governance"

The leading, independent Jakarta Post insisted (3/19): "Indonesians have a right to be involved in the fight against corruption because unethical practices by state officials are nothing less than a breach of the people's trust. Corrupt officials here seem to enrich themselves with impunity, making no effort to hide their illegal practices. Many actually flaunt their ill-gotten affluence.... We do have comprehensive laws to combat corruption. But while building a system is one thing, enforcing it is another.... So far, even the government's internal audit agency has repeatedly complained that many ministries have been reluctant to follow up

on corruption findings with necessary actions. In the end, all this will depend on the government's political will."

"U.S. Will Not Act Unilaterally In IMF Affair"

Leading, independent Kompas observed (3/19): "It is becoming obvious that President Clinton will not take any unilateral action concerning this IMF affair. The White House works together with the IMF, the EU, Japan and its Asia-Pacific allies on political and economic policies. They do not want to launch a direct assault on Jakarta because such a move would result in anti-Americanism in Indonesia. The recent visit of Mondale may have been the last effort of Washington diplomacy on Indonesia.... We think that we had better find some amiable way that would satisfy both parties on the IMF package implementation."

"Questioning Monopolies"

Muslim intellectual Republika pointed out (3/18): "At a press conference, Minister of Trade and Industry Bob Hasan tried to explain the essence of monopolies...saying that there was no problem with monopolies as long as they are in the interests of the grassroots.... However, if the law is unable to control monopolies...who will guarantee that monopolies really secure the interests of the people?.... Our weak industrial structure...is partly caused by unhealthy monopolistic practices. Are we going to repeat the same mistakes? Hopefully, the minister did not mean to say so."

"President's Salary For The Needy"

The independent Media Indonesia's editorial stressed (3/18): "Corruption and collusion are stigmas that we should fight against.

"One way to do it is by establishing transparent government.... We tend to give little appreciation to the sacrifice made by our leaders. Regardless of the financial status of the president, his willingness to work without salary or other benefits for one whole year is a sacrifice that deserves proper appreciation."

"Open Accounts?"

Independent afternoon daily Berita Buana raised these concerns (3/18): "President (Soeharto) has required...his cabinet ministers as well as high-ranking officials to submit accounts of their properties.... This matter has caused confusion in terms of its implementation.... If the government is fair, the reports must be audited. But the question is, who will be given the right to audit the reports, given the fact that a number of owners of conglomerates are now cabinet ministers? There is also doubt about the government's determination to tighten its belt when we learned that each minister will get a new Volvo S-90, each costing up to 500 million (Indonesia) rupiah. What's more, the State Secretariat purchased 69 units, including Volvos for the speakers and deputy speakers of the parliament. If the government really wants to live economically, why didn't it buy the pride of the nation, the Timor, as the ministers' official cars?"

"An End To Corruption In Indonesia?"

Leading, independent Kompas ran an editorial cartoon (3/18) which depicted the minister of trade and industry, timber tycoon and presidential business associate Mohamad (Bob) Hasan saying, 'Fire anyone who takes bribes!!!' A bystander looks at him in disbelief."

"Bones Of Contention"

The pro-government, English-language Indonesian Observer aired this view (3/18): "The main bone of contention between the government and the IMF is...what is to be done to the rupiah.... However, the standoff with the IMF was the last thing the beleaguered Indonesian economy needed at this juncture. On the IMF's side, there is the obligation to protect and promote the interests of its key member countries.... Now the stage can be set for a new round of negotiations with the IMF. Hopefully, these will end in an accord which will pave the way for the resumption of Indonesia's commercial activities with the rest of the world."

"The Oaths And The Hysteria"

The independent Media Indonesia pointed out (3/17): "The near-hysterical expressions of congratulation toward the newly sworn-in ministers was observed with horror by the people because it seemed to stem from the very lack of public accountability.... But (the ministers) are the very people who scarcely have any public accountability.... Corruption and collusion

were the subjects of strident complaints at the recent General Session of the People's Consultative Assembly (MPR). Among the ways to combat (these) diseases... is to fashion a regulation that will hold a cabinet minister accountable to the public. So long as this is not done, the ministerial oath of office will always have [overtones of the] horrific."

"New Economic Team"

The leading, independent Jakarta Post asserted (3/17): Seen from the urgency of restoring public confidence in the government, one member of the economics team seems questionable. Mohamad 'Bob' Hasan has so far been perceived as the most complete embodiment of crony capitalism and as having the most aggressive rent-seeking mentality. Only the president knows the reason as to why he chose Bob Hasan for so vital a portfolio.... The new cabinet...has a very long way to go to convince the nation and the international market of its credibility and competence."

"Negotiations With IMF?"

Leading, independent Kompas noted (3/17): "If it is true that Indonesia and the IMF will renegotiate the matter, we hope differences will be resolved as soon as possible. Indonesia needs restoration of international confidence in its economy. Only international confidence and a stable rupiah will enable Indonesia to come out of its current crisis."

"New Cabinet Does Not Reflect Sense Of Urgency"

Leading independent Kompas had this op-ed piece by Frans Seda, who opined (3/16): "It is the spirit of `business as usual' that we see in the new cabinet lineup. The lineup does not reflect the sense of crisis and urgency we demanded....To regain confidence, in order to overcome the crisis, it is necessary to have an agenda of economic and political reforms."

"Give Them A Chance"

Under the above headline, the independent Media Indonesia held (3/16): "The expectation is that the new cabinet will be able to put the national economy back in order, eradicating the existing diseases of a high-cost economy such as corruption, collusion, and cronyism.... The new ministers are expected to help create credible governance by...establishing an imageof clean governance.... Only such a government will be able to bring about the return of confidence to the national economy."

"Indonesia Should Heed Impact On Neighbors' Economies"

Leading, independent Kompas held (3/13): "Surely, Indonesia, as part of the global economy, will not have the heart to harm her neighbors just as they are restoring their economies and cause further harm to the world economy just because Indonesians are determined to live in poverty.... Hopefully, those who spoke in the MPR (People's Consultative Assembly) last Monday...suggesting that the IMF package be annulled if necessary, only made an empty bluff, saber-rattling for the IMF and the world."

AUSTRALIA: "Flexibility Shown In Indonesian Reforms"

The editorial in the national conservative Australian noted (3/23): "Mr. Downer (Australian Foreign Minister) says there is a wide measure of agreement between Australia and the IMF on the demands being placed on Indonesia for the full $64-million (sic) IMF bailout, with the main aim to return the rupiah value to a fair level and to control prices. While the former is essential to the long-term economic survival of Indonesia, the latter is the most pressing social and humanitarian concern. An Indonesia suffering hyperinflation not only cannot pay its bills, it cannot feed its people. That is why World Bank action and IMF flexibility is required."

"Soeharto Misses The Message"

Under the above headline, the liberal Melbourne daily Age drew this comparison (3/18): "It was said of the Bourbons, the dynasty deposed by the French Revolution, that they learned nothing and forgot nothing. The extended family of Indonesia's President Soeharto is not, in name at least, a royal dynasty. But they increasingly resemble the ill-fated Bourbons.... Since IMF intervention was sought by President Soeharto himself, it might have been thought that he would be eager to comply. His new cabinet, however, is a sad indication that Indonesia faces another round of the politics of patronage."

JAPAN: "Hashimoto Shows 'Visible Diplomacy' In Indonesia"

Liberal Asahi said in an editorial (3/17): "We...appreciate that the Japanese prime minister showed 'visible diplomacy' in Jakarta after a long silence. But it is still too early to say whether the 'Hashimoto diplomacy' will be as productive as the prime minister wishes. This is because questions remain over whether Indonesia will make a move--or moves--acceptable to the IMF...or what role Japan will play successfully to persuade Jakarta to implement the economic reforms. Jakarta's greatest concern for the time being is how it will win concessions from the IMF. President Soeharto told Hashimoto that if the IMF is flexible to his country, he would implement IMF reforms in a more flexible manner.... In trying to persuade Soeharto, Hashimoto reportedly used more indirect and polite language--unlike straight American-style words and phrases--to save the honor of the old Indonesian leader. But because of the excessively thoughtful consideration the prime minister extended to Soeharto, he spoke in a roundabout way. The contents of the agreement reached between the two leaders were (therefore) ambiguous."

"Jakarta Should Be Urged To Implement IMF Reforms"

Business-oriented Nihon Keizai stressed (3/16): "It has been pointed out that IMF reforms are too strict for Indonesia to take. However, Thailand and South Korea, also economically battered neighbors, immediately began implementing IMF-prescribed economic reforms and have since 'renegotiated'

with IMF officials whenever their reform plans prove to be too difficult or inexpedient to take. Indonesia should follow in the footsteps of these neighboring Asian countries. If Jakarta fails to do so, it will not be able to obtain international confidence. Japan and other members of the international community should continue to persuade Indonesia in a persistent manner to comply with IMF reforms. In particular, Jakarta should discuss the matter with the IMF and the United States in a calm manner to break the financial and economic deadlock."

"Financial Reform Needed To Win Back International Confidence"

An editorial in the business-oriented Nihon Keizai observed (3/13), "Following a recent spate of bribery scandals involving Ministry of Finance (MOF) and Bank of Japan (BOJ) officials, Japan's financial system has lost credibility at home and abroad. But the resignation of senior MOF and BOJ officials alone will not restore confidence.... We must reform the country's financial system to overcome the current financial crisis. The financial crisis is growing, while the nerve center of Japan's financial system (MOF and BOJ) remains paralyzed.... The financial crisis is also beginning to have an adverse effect on the (entire) economy. To make matters worse, Japan's financial unrest is creating a chain reaction affecting...Southeast Asian countries... Should Japanese banks withdraw loans from Southeast Asia, the region's financial crisis would grow worse. A worldwide recession could begin here in Asia."

CHINA: "Hashimoto Visits Indonesia As Mediator"

Yu Qing observed in the official, Communist Party People's Daily (Renmin Ribao, 3/18): "Although President Soeharto did not stick to the subject of the IMF reform plan during his meeting with Hashimoto Ryutaro, his attitude of 'flexible treatment' is quite vague, with prerequisites attached. Accordingly, it is still uncertain whether the dispute between Indonesia and the IMF can be resolved."

PHILIPPINES: "Message To A Friend"

The conservative, third largest-circulation daily Philippine Star concluded (3/21): "Soeharto obviously intends to do things his way, the IMF and financial analysts be damned.... Unrest in Indonesia has spilled out into the streets.... There are worries that Indonesia is sliding back to its years of living dangerously....

"The Philippines joins the rest of Asia in worrying about developments in Indonesia. As events since July have shown, sick neighbors contaminate each other. Soeharto has so far thumbed his nose at the IMF and the West. Can he thumb his nose at his allies in the Association of Southeast Asian Nations? ASEAN members do not meddle in each other's internal affairs. But surely the regional grouping can send a message to Soeharto that he must get his house in order before it's too late."

"New Indonesian Cabinet--Crony Capaitalism At Its Worst"

The independent Philippine Daily Inquirer had this assessment (3/19): "For Filipinos, the (new Indonesian) cabinet looked like a reincarnation of

[former Philippine dictator] President Marcos's 'crony capitalism'--only worse.... It sent the signal that while Soeharto needed the IMF package...he is determined to circumvent [the IMF conditions.]... Soeharto is playing a dangerous game of poker with the IMF...fanning the fires of Indonesian nationalism by presenting himself as a victim of humiliation by the IMF.... So far, Indonesia's ASEAN partners appear helpless in influencing Soeharto to stop the slide toward political explosion that will surely send shock waves to the rest of ASEAN. ASEAN is certainly carrying too far the principle of non-interference in the internal affairs of its members."

SINGAPORE: "Foreign Exchange Policy U-Turn Leaves Us Floored"

Yang Razali Kassim, regional analysis editor of the pro-government Business Times (3/25) opined in the "Asian View" column: "No doubt, Indonesia's new cabinet has a really tough job at hand. It's one that any government in the world would rather not handle. But as much as one would like to sympathize with the team, its turnaround last weekend on new curbs on foreign exchange transactions cannot but leave people floored.... It's assuring to know that Jakarta and the IMF are now in such a conciliatory mood--after weeks of chest-thumping to show who's tougher. Who wants to see a clash of the two titans when all that would result is one big mess? Jakarta's readiness to put the currency tax plan on the back burner demonstrates a new resolve to come to an accommodation with the IMF. The question is: Did the government have to introduce it in the first place just to be able to show a willingness to retract it 48 hours later?...

"Whatever the reasons for the turnaround, the move does more harm than good. It certainly does not help the new cabinet and the economic tsars amongst them. It gives ammunition to those who are waiting to pounce on the team, making the new cabinet look inept when it may not be. Neither does it help those who wish Indonesia well and would like to see nothing but good coming out of this tumultuous phase."

"Asia Is Not Just One Country"

The pro-government Straits Times asked (3/20) in an editorial: "Are the world's financial markets finally beginning to make sharp distinctions between the different Asian countries? Is it beginning to dawn on investors and fund managers that while Singapore, Hong Kong, Seoul and Jakarta may be located on roughly the same longitude, that does not mean they are all in the same leaky boat? None other than U.S. President Bill Clinton seems to think so. 'Investors,' he said last week, 'are beginning to see a differentiation' between Asian countries. Obviously worried that continued Indonesian instability might infect the rest of Asia, he urged that the whole region should not be 'thrown into a long-term recession because of the perception that everything is the same everywhere.' We welcome the assessment; we share the worry; we second the recognitions that prompted both.... The rest of the region cannot possibly agree to be held hostage to Indonesia's fortunes."

"Indonesia's Financial Tsunami Has Just Begun"

Lee Kim Chew, chief regional correspondent for the pro-government Straits Times, stressed in an editorial (3/20): "For years, Mr. Soeharto's critics have been crying out for reforms and protesting against corruption, collusion and nepotism. But few in the ruling elite had listened to them seriously because the economy grew and Mr. Soeharto could deliver. Now times have changed radically. The financial tsunami has shaken the Indonesian economy to its foundations.... Indonesia needed a credibility boost and the new cabinet for Mr. Soeharto's seventh five-year term was to have been it. But the worst fears of many came true instead. For them, the inclusion of his close friend, Muhammad ('Bob') Hasan, and eldest daughter Siti Hadiyanti Rukmana has sent out the wrong signals, as their business interests are the very targets of reforms demanded by the IMF."

"Persistent Problems In Indonesia"

The pro-government Business Times carried this comment (3/20) on its editorial page: "The rupiah is not going to stabilize if the government refuses to implement important structural reforms. Jakarta's initial reluctance to disband the clove and plywood monopolies and privileges to the national car naturally fuel suspicions that nationalism is being used as a cloak to perpetuate questionable practices. No modern economy can afford anachronistic features like the clove and plywood monopolies but, Indonesia's brand of economic nationalism does have its advocates within government. Two of them--Vice-President B.J. Habibie and Coordinating Minister for Economy Ginanjar Kartasasmita--both happen to believe in

economic models which are in ideological retreat.... While Indonesia does not necessarily have to pursue the Anglo-Saxon brand of capitalism, it will be a serious mistake if it closes its doors to deregulation. And while it is certainly easy to blame foreigners for the crisis, the ruling establishment should take a good look at their ideas for solving Indonesia's problems."

"Will Asia Bounce Back Sooner Than Expected?"

The pro-government Business Times ran this editorial page commentary (3/19) by regional economics editor, Vikram Khanna: "There is a view gaining ground that just as Asia's economic miracle was long on hype, so too, is the story of Asia's bust; (and) that, in fact, the region's now beleaguered economies will bounce back faster than most expect--maybe even by the end of this year.... One (who holds this view) is J. Bradford Delong, professor of economics at the University of California at Berkeley and a former U.S. Treasury official.... In the case of Asia today, (Mr. Delong) suggested that once the IMF and other international institutions' money starts flowing in...and investors become convinced their money will not be lost or stolen, the flow of funds to East Asia could quickly start to accelerate.... Unfortunately though, there are some major differences between the encouraging precedents that Mr. Delong cites and the East Asian situation. The crises in Britain and Mexico, for instance, were not compounded by the sort of structural problems that East Asia has...nor was there the sort of opaqueness that permeates so many Asian corporations and banks--which itself raises another problem, namely that we may not even know...just how deep and pervasive Asia's crisis is."

"Give Soeharto A Chance"

The pro-government Straits Times opined (3/17): "This ought to be said: It is Mr. Soeharto's prerogative to decide whom he wants in this new government to help him overcome the country's gravest economic crisis in three decades. Foreigners, whatever their views, cannot interfere in this regard.... The talk is that some of the ministers are avowedly anti-reform and economic nationalists. If true, this will not be helpful, given the growing tension between Mr. Soeharto and the IMF over structural reforms to liberalize the Indonesian economy....

"Fortunately, Mr. Soeharto can still look abroad for help, and he will get it, provided he does the right things.

"All this talk about IMF reforms infringing the Indonesian constitution is unhelpful, to say the least. The sooner this is understood, the better.... The message about the need for reforms should not be taken for granted. Unless Mr. Soeharto pushes through with the IMF program to revamp the economy and create the conditions for the massive private-sector debt to be rescheduled, confidence in Indonesia will take a long time to return. It risks becoming a basket case.... For a country that used to enjoy seven percent annual growth, the sudden reversal of fortunes is unexpected and undeserved. But the worst is yet to come, unless corrective policies are implemented seriously. Failure to do this could wipe out all that Mr. Soeharto has achieved in the past 32 years. It is still not too late to prevent such a catastrophe."

"Chuan's Deft Housekeeping Deserving Of Praise"

An editorial in the pro-government Straits Times expressed this view (3/14): "In coming boldly to grips with the daunting problems that afflict his country, Thai Prime Minister Chuan Leekpai merits admiration and needs support. The former he has received in full measure in the neighborhood, which is impressed by his courage in grasping the nettle of the austeritymeasures proposed by the IMF when it put together a $17.2-billion rescue package. This weekend, it is the turn of the United States, which was not at all responsive when disaster struck Thailand last July, to show appreciation of Mr. Chuan's deft housekeeping by letting it off the hook of an extravagant, $390-million purchase of fighter jets.... However, though its feet seem to be planted firmly on the road to recovery, Thailand is still in some danger of being swept off course again if the turmoil is allowed to continue in the neighborhood. Referring to Indonesia and Malaysia, Mr. Chuan acknowledged recently that 'if something goes wrong with them, the impact to us will be strong.'"

"U.S. Lends Big Helping Hand To Thailand"

The pro-government Sunday Times said (3/15): "In a resounding endorsement of the Thai government's handling of the economic crisis, President Bill Clinton presented it with a $1.7-billion aid package which involved an exceptional offer to buy back eight fighter jets which Bangkok cannot afford now--plus much-needed trade financing to help it through hard times. Thailand's discipline on tough reforms was also held up as a 'powerful' model for Asia.... The administration's approval of Thailand--from its democracy to its overhauling of the banking sector--had contrasted vividly

with its exasperated remarks on Indonesia."

"Thailand On The Mend"

The pro-government Business Times's editorial emphasized (3/13): "Thailand seems to have improved its chances of getting out of its economic difficulties. Although it is not out of the woods yet, the three-month-old Chuan Leekpai government is committed to reforming the economy and there is evidence that the steps taken so far are working.... So far, Thailand has struck scrupulously to the targets set by the IMF in return for $17.2-billion rescue package. It has resulted in hardship...but the Thai people have generally accepted the reality that it is going to take a while

to fix the economy.... There is reasonable social stability and, thanks to a transparent political system and a robust and at times rude press, the kind of rampant cronyism seen in Indonesia is absent. If everything works out, the economy could start recovering by early next year.... The other wild card in Thailand's fortunes is the fallout from its neighbors, Malaysia and Indonesia.... The fact is that if either neighbor falters...any chance of sustaining Thailand's economic recovery would be rendered very difficult."

"Cabinet Lineup Shows Soeharto Is Still The Boss"

The pro-government Business Times (3/16) front-paged this by its Jakarta correspondent S.N. Vasuki, "Indonesia's new cabinet may draw flak in international circles for being nationalist and anti-reform, but its

composition represents a major political victory for President Soeharto....

"Some argue that despite the economic crisis, Mr. Soeharto is sending a clear signal that he remains the unchallenged leader of Indonesia.... One significant feature is the absence of a single technocrat, signalling the eclipse of Indonesia's fabled 'Berkeley mafia.' True, Professor Widjojo Nitisastro still remains the government's senior economic adviser. But other ministers with technocratic credentials--outgoing Finance Minister Marie Muhammad, Bank Indonesia Governor Sudradjad Djiwandono and Trade and Industry Minister Tungky Ariwibowo--have all lost their positions. Rightly or wrongly, the new economic team is perceived to have anti-reform, pro-nationalist credentials."

SOUTH KOREA: "Soeharto's Cabinet Full Of Cronyism"

Anti-establishment Hankyoreh Shinmun concluded (3/16): "President Soeharto's cronies fill the first cabinet of his seventh presidential term, deeply disappointing those concerned at home and abroad.... What makes the situation worse is not just that cronyism played the central role in selecting the cabinet members, but that those chosen represent the very opposite of what the IMF has demanded of the country. They are the people who not only would lose all benefits should the IMF reforms be carried out, but who also played leading roles in resisting IMF reform. Soeharto's eldest daughter is the very embodiment of the president's deep-rooted and pervasive cronyism, while his golf friend was chosen to be trade minister.... This is provocative and baffling to the international

community.... How the president will respond to international pressure is yet to be seen. Confrontation with the international community seems to lie ahead."

THAILAND: "An End To Indonesia's Delaying Tactics"

The lead editorial of English-language Business Day said (3/23): "A major international news service said Indonesia was ready to 'embrace the IMF's economic policies' and the fund in return was in a 'flexible and conciliatory mood.' That all sounds good. but let us not forget that after the first formal agreement between Indonesia and the IMF, a second agreement was soon needed because Indonesia chose not to abide by the conditions in the original act. Predictably, the second agreement was also ignored.... Now comes the third agreement, and anyone willing to believe that all will be well after the IMF releases the next tranche of the rescue fund next month is naive and gullible."

"Chuan's U.S. Trip Comes With Strings Attached"

Thitinan Pongsudhirak judged in the top-circulation, moderately conservative English-language Bangkok Post (3/18): "The concessions granted by the White House have effectively reverted Thai-U.S. relations from an increasingly equitable partnership back to traditional patronage.... Meanwhile, by lending a hand to the reform-minded Chuan government, the Clinton administration achieved multiple objectives. First, America has reasserted its role in the context of Asia's economic crisis. Second, the aid to Thailand sent a veiled message to recalcitrant

President Soeharto of Indonesia to shape up. Third, American companies from manufacturing and services will get to stand at the front of the line when previously protected sectors of the Thai economy open up to foreign competition.... Most important, perhaps, is that the United States will have a much easier time enlisting Thailand's support in international fora, such as APEC. Nor will it be as difficult to ask the government to use Thai naval or air force bases for U.S. security aims.... Generally, Thailand will be less able to take an independent position in international and regional matters where American interests are at stake."

"After Last Year's Fallout, Two Old Allies Heal Wounds"

Pana Janviroj commented in the independent, English-language Nation (3/17): "The much-heralded summit between Prime Minister Chuan Leekpai and President Clinton...last week ought to wipe out much, if not all, the bad feelings that surfaced in Bangkok over the past nine months regarding the United States' lackadaisical attitude toward Thailand....

"But it is too early to talk optimistically of a partnership in the making between the two countries as a result of the $1.7-billion package of financial assistance to Thai students, businesses, the military and the government. Much more remains to be done, and the perspectives and objectives of both sides will become clearer in the months ahead as the engagements between the two old allies--with 165 years of relations--are being played out."

"Don't Be Complacent About Economy Yet"

Elite Siam Rath's lead editorial advised (3/17): "The United States promised assistance to Thailand [during Prime Minister Chuan Leekpai's visit] because both the U.S. administration and Congress had started to realize that the world, including the United States, would also be adversely affected if an economy were allowed to go under. That the United States offered Thailand assistance was also for the United States' survival. There is no favor rendered and no favor remembered."

"Coming To Terms With Reality"

Top-circulation Thai Rath had this editorial comment (3/17): "Having seen strong determination on the part of the Chuan administration to follow through the IMF reform regimen, the IMF may ease some of its iron-clad measures. However, there will be no reprieve for the required privatization of income-earning state enterprises. This is to pave the way for takeovers by foreign investors...so that the government may generate enough income to settle its IMF loans."

"Chuan's Trip To U.S. Heralds New Partnership"

The lead editorial of the independent, English-language Nation stressed (3/16): "U.S. President Bill Clinton's high-profile reception of Prime Minister Chuan Leekpai in Washington vividly demonstrated both the depth and scope of present Thai-U.S. relations.... In the bid to utilize Chuan's trip to Washington to send a strong message to Indonesia, American political and business leaders showered Chuan with praise for his stringent implementation of the IMF bailout package.... Very much to Chuan's

credit...(he) did not succumb to the pressure from Washington to say what they wanted him to say so as to marginalize Soeharto."

"Thailand's Success In America"

Trairat Soontornprapat commented in the mass-circulation Daily News (3/16): "Such obvious sincerity the U.S. administration has displayed will help dispel any lingering doubts about the U.S. insincerity and the anti-American sentiments here."

"Don't Be Over-Ecstatic About U.S. Praise"

Elite, business-oriented Krungthep Turakij cautioned (3/16): "We do not wish to see Thai businessmen and members of the public feel unreasonably buoyed up by praises and promises of the United States, lest they forget the real economic priorities at hand.... The government should not paint a false picture that the worst part of the crisis is already behind us, because there still remain many fundamental problems, which require systematic solutions."

SOUTH ASIA

INDIA: "Mr. Soeharto's Choice"

The centrist Hindu's editorial said (3/18): "Soeharto has just completed another exercise in sham democracy, installing himself for a seventh five-year term as president after an 'election' in which he was the only candidate. He has also assumed, with the approval of a pliant legislature, extraordinary powers to suspend people's rights. But a simmering discontent is threatening to assume alarming proportions....

"All is not lost, since Soeharto is his country's best hope of reform and he still enjoys the confidence of the Western powers. But he needs to convince his people that his actions are aimed at protecting their interests, not those of a small clique."

"Whither Indonesia?"

The pro-economic reforms Economic Times ran this analysis by Pundit K. Subrahmanyam (3/16): "After having signed the agreement, General Soeharto has now second thoughts on the prescriptions of the IMF.... The president is presumably calculating that Indonesia is too important a country to be allowed to sink into an economic chaos by the international community and, therefore, he can get the bailout package on his terms, which would not completely dismantle the crony capitalism."

"At The Helm, Not In The Hearts"

Under the above headline, the centrist Hindu's V. Jayant wrote from Jakarta (3/15): "Entrenching oneself in power is one thing, gaining international recognition and winning back investor confidence is another.... Indonesia (may) have won a bout with the IMF this time...but it (will) not take long for even Indonesia's rich and influential businessmen to realize they cannot do without international help.... If the IMF deal falls through, the economy could collapse, bringing down with it the entire East Asian region."

BANGLADESH: "How To Help Asia Recover"

The independent, English-language Financial Express' editorial recommended (3/15): "What the West can and ought to do in order to facilitate the proper recovery of East Asia is to make available to Asian countries, no short-term credits or capital flows, since without being integrated with the needs of the real sectors played a prime role in destabilizing the economies in the first place. East Asian countries must have easy access to longer-term lending on easy terms so that they can carry out their urgent imports of capital goods and raw materials which have a direct bearing on much of the export sector. Such cooperation can hasten East Asia's recovery, while also increasing the volume of Asian imports from the Western countries."

SRI LANKA: "How Long Will Soeharto Hold Out?"

Mervyn de Silva pointed out in a commentary in the independent, English-language Sunday Times (3/22): "In the New World Order, the United States calls the shots. The United States approves or rejects; the IMF carries out the orders. When needed, the World Bank extends a helping hand.... How long can President Soeharto of Indonesia, despite all his country's wealth, refuse to carry out the orders?"

EUROPE

CANADA: "Anti-IMF Cabinet Latest Twist In Soeharto's High-Stakes Game"

The business-oriented Financial Post contended (3/17): "If pride goes before the fall, Indonesia's President Soeharto has taken a big gamble in his prideful snub of the IMF.... Because so much is at stake regionally, the IMF has little choice but to salvage some accommodation in Indonesia.... A hopeful sign has been the emergence of Japan as an 'honest broker' in the Indonesian crisis.... Both Japanese Prime Minister Hashimoto and Soeharto favor a face-saving 'Asian' solution to the crisis over one imposed by the IMF."

LATIN AMERICA

ARGENTINA: "An explanation For Asia And Its Crises"

Business-financial Buenos Aires Economico ran an opinion piece by H?ctor W. Walle, Chief economist from Fundacion Andina (think tank), which said (3/25): "Even though I recognize the inefficient government intervention and the decreasing output of the invested capital, my understanding of the current problems of the development strategy in East Asia is more inclined to indicate as a reason the triangle among the United States, China and Japan.... China's competence and the dollar revaluation in relation to the yen affected the...markets of East Asia, the United States and Japan.... Anyway, all those problems cannot completely explain the crisis of mid-1997.... It should be emphasized that it is the whole combination of

economic policies and processes which define the depth of individual

problems.... It is important to note that, even though this is not a

catastrophe comparable to the '30s or (so far) to the first oil crisis of

mid-1970s, it is not a short-term problem either, which has already been

solved by the financial rescue packages in operation.... In addition, to

understand where Asia is going and how can that affect the rest of the

world, the issues to be dealt with exceed by far the strictly economic

sphere. On one side, there is a central geopolitical dimension in thetriangle among China, Japan and the United States. Historically, the

superpowers...at a world level have always destabilized international

economic relations. On the other side, at a regional level, several of the

affected countries have weak or nonexistent democratic systems, which have

difficulty generating general social consent in a less flourishing

economic framework."

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X` hp x (##Xn\ P6Qy&P#Wednesday, March 25, 1998
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INDONESIA 'SENDING WRONG SIGNALS ON REFORM'?

Over the past two weeks, analysts in East and South Asiaand lone commentators in Canada and Argentinaremained seized with the as yet unresolved talks between Indonesia and the IMF on that country's precarious financial situation. The bulk of the commentaryincluding editorials from Indonesiaexpressed a strong desire for a resolution of the IndonesiaIMF "standoff," and was highly critical of the new cabinet appointed by President Soeharto earlier this month. Most writers judged that the new cabinet lineup, which includes the president's daughter and other ministers seen as "antireform," sent the "wrong signals" to the international community and was unlikely to restore confidence in Indonesia's economy. A number of pundits contrasted the cases of Indonesia and Thailannd, noting that Thai Prime Minister Chuan Leekpai garnered praiseand financial supportfrom the Clinton administration when he visited Washington in midMarch. Singapore's progovernment Straits Times, for example, extolled Mr. Chuan's "deft housekeeping" which it said appears to have planted Thailand's "feet...firmly on the road to recovery," but cautioned that recovery could be "swept off course again if turmoil is allowed to continue in the neighborhood." Following are highlights of the commentary from Indonesia and from East and South Asia:

INDONESIA: 'DEMONSTRATING OUR INCONSISTENCY TO THE WORLD'The press in Indonesianormally extremely reticent about expressing views critical of the governmentlamented its country's "inconsistency" with regard to the IMF reform packages for Indonesia, now in a third round of negotiations. "From the moment we asked for IMF help...we have been demonstrating to the world our inconsistencywe have kept losing face," declared independent Media

Indonesia. "The IMF package is a
serious matter that should have been
prudently considered from the outset," as
serted progovernment,
Islamicoriented weekly Ummat. Papers from across the pol
itical spectrum
also featured exceptionally direct and harsh criticism of Mr. S
oeharto's
cabinet. Weighing in with Media Indonesia, which held that the Indon
esian
public viewed "with horror" the induction of the new ministers as being "
the
very people who scarcely have any public accountability," leading,
independ
ent Kompas and others insisted that the new cabinet "does not reflect
the sense
of crisis and urgency we demanded." "The face of the new cabinet
is not prett
y," Ummat averred, "and the impression of nepotism cannot be
avoided."

X` hp x (#OTHER ASIAN VIEWS: 'AN END TO INDONESIA'S DELAYING TACTICS'In additi
on to
echoing the Indonesian media's charges of "nepotism" and "cronyism" withi
n
Mr. Soeharto's group of top advisors, editorials in the region and beyond
cal
led on Indonesia to end its "delaying tactics" with regard to the IMF.
Philipp
ine papers stressed that the ASEAN policy of noninterference in the
internal af
fairs of member countries was being "carried too far," suggesting:
"Surely the
regional grouping can send a message to Soeharto that he must get
his house in
order before it's too late." In Singapore, a progovernment
paper likewise opi
ned: "The rest of the region cannot possibly agree to be
held hostage to Indon
esia's fortunes."
X` hp x (#This survey is based on 55 reports from 12 countries, March 13 25.
EDITOR: Kathleen J. Brahney

EAST ASIA AND PACIFIC
X` hp x (#
INDONESIA: "Waves Of Questioning"

The independent Media Indonesia held (3/25): "In the uncertain political
situat
ion, something is boggling our mind, the ongoing questioning of
intellectuals,
artists and public leaders that has been getting quite intense
during the past
three months.... This rising tide of questioning deserves

our attention. The
delay in bringing those cases to court could be
counterproductive as they may
lead to charges of human rights violations....
A good government is one that t
ries to win people's sympathy as much as
possible."
X` hp x (#
X` hp x (# "Demonstrating Our Inconsistency To The World"

The independent Media Indonesia asserted (3/24): "From the moment we asked
f
or IMF help to take us out of the current monetary crisis, we have been
demonst
rating to the world our inconsistencywe have kept losing face....
Indonesia's
inconsistency has been so bad that the talks with the IMF took
more than four
months. Now, another IMF team is in Jakarta to renegotiate
the package that wa
s agreed to last January.... The conflict between the
IMF and Indonesia, in f
act, lies in the understanding of a market economy.
The IMF assumed that we ag
reed to impose a market economy when we signed the
package. But, what shocked
the IMF was that we understood that a market
economy has to serve monopolies..
.. Indeed, we have yet to appreciate market
rules and market sovereignty. We
see market sentiments as a danger to our
sovereignty. As long as our economic
management belittles the market
economy, we will be shamed by our own policies.
And, the world will be
laughing at our capability, competence and consistency
."

"Toward Compromise"

Businessoriented Bisnis Indonesia asserted (3/23): "All members of the
gover
nment negotiating team are optimistic about the outcome of the talks
with the I
MF, so, too, IMF AsiaPacific Director Hubert Neiss.... The sense
of the Indone
sian public that it was impossible for Indonesia to operate the
currency board
systenat least for the time beingseemed sufficient for the
IMF. In the past, o
ur weakness may have been that we often made hasty
decisions. This policy migh
t have had good objectives, but it lacked sound
implementation and communicatio

n.... In the current situation, the public is
able to accept the government's
policies, such as the new tax on sales of
foreign currencies and the plan to co
ntrol exchange rates. So long as the
policy is aimed at creating currency sta
bilization, there will be no reason
for us to reject it. However, we can call
on the government to explain
things according to their short and longterm natu
re."

"Critique For The President"

Progovernment, Islamicoriented news weekly Ummat observed (3/23):
"Approvingor
rejectingthe IMF package is a serious matter that should
have been prudently
considered from the outset. And, due to its
significance, it should have not b
een left to only one person to make such a
decision.... Making inquiries, cri
ticizing, and staging protest
demonstrations are natural mechanisms that enable
us to correct flawed
government policies. In fact, neither harsh criticisms n
or demonstrations
would be necessary if we had an effective system in the parl
iament.
Unfortunately, each day, both our House of Representatives (DPR) and t
he
People's Consultative Assembly (MPR) lose more credibility...because of the
dominant presence of nepotism."

"A Cabinet Without Reform"

Progovernment, Islamicoriented news weekly Ummat featured this column by
Afan G
affar, who asserted (3/23): "With the new cabinet lineup, Soeharto
apparently
has no agenda for reformas can be seen from those in the cabinet
who are known
for their antireform stances.... It is difficult to avoid the
impression of ne
potism in the cabinet with (President Soeharto's daughter)
Tutut as minister of
social affairs. Indeed, she is one of the Golkar Party
leaders, but she is al
so a daughter of the president. Thus the face of the
new cabinet is not prett

y, and the impression of nepotism cannot be avoided."

"Learning From China"

Independent Berita Buana editorialized (3/20): "The replacement of key figure
s and changes in policies during the People's Congress demonstrated that the Ch
inese government is trying to gain support from all of its people.... The Chin
ese parliament appreciated Qian Qichen's courage to resign as foreign minister
because of his age. Qian Qichen's ability to evaluate his own capacity is char
acteristic of wise leaders.... The changes now taking place in China are approp
riate examples for other countries, including Indonesia, to follow."

"On Clean Governance"

The leading, independent Jakarta Post insisted (3/19): "Indonesians have a rig
ht to be involved in the fight against corruption because unethical practices b
y state officials are nothing less than a breach of the people's trust. Corrup
t officials here seem to enrich themselves with impunity, making no effort to
hide their illegal practices. Many actually flaunt their illgotten affluence..
.. We do have comprehensive laws to combat corruption. But while building a s
ystem is one thing, enforcing it is another.... So far, even the government's
internal audit agency has repeatedly complained that many ministries have been
reluctant to follow up on corruption findings with necessary actions. In the
end, all this will depend on the government's political will."

X` hp x (# "U.S. Will Not Act Unilaterally In IMF Affair"
X` hp x (#

Leading, independent Kompas observed (3/19): "It is becoming obvious that Pr
esident Clinton will not take any unilateral action concerning this IMF affair.

The White House works together with the IMF, the EU, Japan and its AsiaPacifi
c allies on political and economic policies. They do not want to launch a dire
ct assault on Jakarta because such a move would result in antiAmericanism in I

ndonesia. The recent visit of Mondale may have been the
last effort of Washing
ton diplomacy on Indonesia.... We think that we had
better find some amiable
way that would satisfy both parties on the IMF
package implementation."

"Questioning Monopolies"

Muslim intellectual Republika pointed out (3/18): "At a press conference,
Mi
nister of Trade and Industry Bob Hasan tried to explain the essence of
monopoli
es...saying that there was no problem with monopolies as long as they
are in th
e interests of the grassroots.... However, if the law is unable to
control mon
opolies...who will guarantee that monopolies really secure the
interests of the
people?.... Our weak industrial structure...is partly
caused by unhealthy mo
nopolistic practices. Are we going to repeat the same
mistakes? Hopefully, th
e minister did not mean to say so."

"President's Salary For The Needy"

The independent Media Indonesia's editorial stressed (3/18): "Corruption and
c
ollusion are stigmas that we should fight against.

"One way to do it is by establishing transparent government.... We tend to
gi
ve little appreciation to the sacrifice made by our leaders. Regardless
of th
e financial status of the president, his willingness to work without
salary or
other benefits for one whole year is a sacrifice that deserves
proper apprecia
tion."

"Open Accounts?"

Independent afternoon daily Berita Buana raised these concerns (3/18):
"Presi
dent (Soeharto) has required...his cabinet ministers as well as
highranking off
icials to submit accounts of their properties.... This
matter has caused confu
sion in terms of its implementation.... If the
government is fair, the report
s must be audited. But the question is, who
will be given the right to audit t
he reports, given the fact that a number of

owners of conglomerates are now cab
inet ministers? There is also doubt about
the government's determination to t
ighten its belt when we learned that each
minister will get a new Volvo S90, ea
ch costing up to 500 million
(Indonesia) rupiah. What's more, the State Secret
ariat purchased 69 units,
including Volvos for the speakers and deputy speakers
of the parliament. If
the government really wants to live economically, why
didn't it buy the pride
of the nation, the Timor, as the ministers' official ca
rs?"

"An End To Corruption In Indonesia?"

Leading, independent Kompas ran an editorial cartoon (3/18) which depicted
the
minister of trade and industry, timber tycoon and presidential business
associ
ate Mohamad (Bob) Hasan saying, 'Fire anyone who takes bribes!!!' A
bystander
looks at him in disbelief."

"Bones Of Contention"

The progovernment, Englishlanguage Indonesian Observer aired this view
(3/18):
"The main bone of contention between the government and the IMF
is...what is
to be done to the rupiah.... However, the standoff with the IMF
was the last t
hing the beleaguered Indonesian economy needed at this
juncture. On the IMF's
side, there is the obligation to protect and promote
the interests of its key m
ember countries.... Now the stage can be set for a
new round of negotiations w
ith the IMF. Hopefully, these will end in an
accord which will pave the way fo
r the resumption of Indonesia's commercial
activities with the rest of the worl
d."

"The Oaths And The Hysteria"

The independent Media Indonesia pointed out (3/17): "The nearhysterical
expres
sions of congratulation toward the newly swornin ministers was
observed with ho
rror by the people because it seemed to stem from the very
lack of public accou
ntability.... But (the ministers) are the very people

who scarcely have any pu
blic accountability.... Corruption and collusion
were the subjects of strident
complaints at the recent General Session of the
People's Consultative Assembly
(MPR). Among the ways to combat (these)
diseases... is to fashion a regulatio
n that will hold a cabinet minister
accountable to the public. So long as thi
s is not done, the ministerial
oath of office will always have [overtones of t
he] horrific."

"New Economic Team"

The leading, independent Jakarta Post asserted (3/17): Seen from the urgency
o
f restoring public confidence in the government, one member of the
economics t
eam seems questionable. Mohamad 'Bob' Hasan has so far been
perceived as the
most complete embodiment of crony capitalism and as having
the most aggressive
rentseeking mentality. Only the president knows the
reason as to why he chos
e Bob Hasan for so vital a portfolio.... The new
cabinet...has a very long wa
y to go to convince the nation and the
international market of its credibility
and competence."

"Negotiations With IMF?"

Leading, independent Kompas noted (3/17): "If it is true that Indonesia and
t
he IMF will renegotiate the matter, we hope differences will be resolved as
soo
n as possible. Indonesia needs restoration of international confidence in
its
economy. Only international confidence and a stable rupiah will enable
Indone
sia to come out of its current crisis."

"New Cabinet Does Not Reflect Sense Of Urgency"

Leading independent Kompas had this oped piece by Frans Seda, who opined
(3/16)
: "It is the spirit of `business as usual' that we see in the new
cabinet l
ineup. The lineup does not reflect the sense of crisis and urgency
we demanded
....To regain confidence, in order to overcome the crisis, it is
necessary to h

ave an agenda of economic and political reforms."

"Give Them A Chance"

Under the above headline, the independent Media Indonesia held (3/16): "The ex
pectation is that the new cabinet will be able to put the national economy bac
k in order, eradicating the existing diseases of a highcost economy such as cor
ruption, collusion, and cronyism.... The new ministers are expected to help cr
eate credible governance by...establishing an image of clean governance.... On
ly such a government will be able to bring about the return of confidence to t
he national economy."

"Indonesia Should Heed Impact On Neighbors' Economies"

Leading, independent Kompas held (3/13): "Surely, Indonesia, as part of the g
lobal economy, will not have the heart to harm her neighbors just as they are r
estoring their economies and cause further harm to the world economy just becau
se Indonesians are determined to live in poverty.... Hopefully, those who spok
e in the MPR (People's Consultative Assembly) last Monday...suggesting that the
IMF package be annulled if necessary, only made an empty bluff, saberrattling
for the IMF and the world."

AUSTRALIA: "Flexibility Shown In Indonesian Reforms"

The editorial in the national conservative Australian noted (3/23): "Mr. Downe
r (Australian Foreign Minister) says there is a wide measure of agreement betwe
en Australia and the IMF on the demands being placed on Indonesia for the full
$64million (sic) IMF bailout, with the main aim to return the rupiah value to a
fair level and to control prices. While the former is essential to the longte
rm economic survival of Indonesia, the latter is the most pressing social and
humanitarian concern. An Indonesia suffering hyperinflation not only cannot p
ay its bills, it cannot feed its people. That is why World Bank action and IMF
flexibility is required."

"Soeharto Misses The Message"

Under the above headline, the liberal Melbourne daily Age drew this comparison
(3/18): "It was said of the Bourbons, the dynasty deposed by the French Revolu
tion, that they learned nothing and forgot nothing. The extended family of Ind
onesia's President Soeharto is not, in name at least, a royal dynasty. But the
y increasingly resemble the illfated Bourbons....
Since IMF intervention was s
ought by President Soeharto himself, it might have been thought that he would b
e eager to comply. His new cabinet, however, is a sad indication that Indonesi
a faces another round of the politics of patronage."
X` hp x (#

JAPAN: "Hashimoto Shows 'Visible Diplomacy' In Indonesia"

Liberal Asahi said in an editorial (3/17): "We...appreciate that the Japanese
prime minister showed 'visible diplomacy' in Jakarta after a long silence. But
it is still too early to say whether the 'Hashimoto diplomacy' will be as prod
uctive as the prime minister wishes. This is because questions remain over wh
ether Indonesia will make a moveor movesacceptable to the IMF...or what role J
apan will play successfully to persuade Jakarta to implement the economic refor
ms. Jakarta's greatest concern for the time being is how it will win concessi
ons from the IMF.
President Soeharto told Hashimoto that if the IMF is flexib
le to his country, he would implement IMF reforms in a more flexible manner...
. In trying to persuade Soeharto, Hashimoto reportedly used more indirect and polite languageunlike straight Americanstyle words and phrasesto save the honor
of the old Indonesian leader. But because of the excessively thoughtful cons
ideration the prime minister extended to Soeharto, he spoke in a roundabout way
. The contents of the agreement reached between the two leaders were (therefor
e) ambiguous."

X` hp x (#
"Jakarta Should Be Urged To Implement IMF Reforms"

X` hp x (#Businessoriented Nihon Keizai stressed (3/16): "It has been pointed out
that IMF reforms are too strict for Indonesia to take. However, Thailand

and South Korea, also economically battered neighbors, immediately began imple
menting IMFprescribed economic reforms and have since 'renegotiated' with IMF o
fficials whenever their reform plans prove to be too difficult or inexpedient t
o take. Indonesia should follow in the footsteps of these neighboring Asian c
ountries. If Jakarta fails to do so, it will not be able to obtain internation
al confidence. Japan and other members of the international community should co
ntinue to persuade Indonesia in a persistent manner to comply with IMF reforms.
In particular, Jakarta should discuss the matter with the IMF and the United
States in a calm manner to break the financial and economic deadlock."
X` hp x (#
X` hp x (# "Financial Reform Needed To Win Back International Confidence"
X` hp x (#
An editorial in the businessoriented Nihon Keizai observed (3/13), "Following
a recent spate of bribery scandals involving Ministry of Finance (MOF) and Ban
k of Japan (BOJ) officials, Japan's financial system has lost credibility at ho
me and abroad. But the resignation of senior MOF and BOJ officials alone will
not restore confidence.... We must reform the country's financial system to ove
rcome the current financial crisis. The financial crisis is growing, while the
nerve center of Japan's financial system (MOF and BOJ) remains paralyzed....
The financial crisis is also beginning to have an adverse effect on the (entire
) economy. To make matters worse, Japan's financial unrest is creating a chai
n reaction affecting...Southeast Asian countries... Should Japanese banks withd
raw loans from Southeast Asia, the region's financial crisis would grow worse.
A worldwide recession could begin here in Asia."

X` hp x (# CHINA: "Hashimoto Visits Indonesia As Mediator"

X` hp x (#
Yu Qing observed in the official, Communist Party People's Daily (Renmin Ribao
, 3/18): "Although President Soeharto did not stick to the subject of the IMF
reform plan during his meeting with Hashimoto Ryutaro, his attitude of 'flexibl
e treatment' is quite vague, with prerequisites attached. Accordingly, it is s
till uncertain whether the dispute between Indonesia and the IMF can be resolve
d."

X` hp x (# PHILIPPINES: "Message To A Friend"

X` hp x (#The conservative, third largestcirculation daily Philippine Star co
ncluded
(3/21): "Soeharto obviously intends to do things his way, the IMF and financial analysts be damned.... Unrest in Indonesia has spilled out into the
streets.... There are worries that Indonesia is sliding back to its years of l
iving dangerously....

"The Philippines joins the rest of Asia in worrying about developments in Indo
nesia. As events since July have shown, sick neighbors contaminate each other
. Soeharto has so far thumbed his nose at the IMF and the West. Can he thumb
his nose at his allies in the Association of Southeast Asian Nations? ASEAN m
embers do not meddle in each other's internal affairs. But surely the regiona
l grouping can send a message to Soeharto that he must get his house in order b
efore it's too late."

"New Indonesian CabinetCrony Capaitalism At Its Worst"

The independent Philippine Daily Inquirer had this assessment (3/19): "For F
ilipinos, the (new Indonesian) cabinet looked like a reincarnation of [former P
hilippine dictator] President Marcos's 'crony capitalism'only worse.... It sen
t the signal that while Soeharto needed the IMF package...he is determined to
circumvent [the IMF conditions.]... Soeharto is playing a dangerous game of p
oker with the IMF...fanning the fires of Indonesian nationalism by presenting
himself as a victim of humiliation by the IMF....
So far, Indonesia's ASEAN p

artners appear helpless in influencing Soeharto to
stop the slide toward politi
cal explosion that will surely send shock waves
to the rest of ASEAN. ASEAN is
certainly carrying too far the principle of
noninterference in the internal a
ffairs of its members."

SINGAPORE: "Foreign Exchange Policy UTurn Leaves Us Floored"

Yang Razali Kassim, regional analysis editor of the progovernment Business
Tim
es (3/25) opined in the "Asian View" column: "No doubt, Indonesia's new
cabine
t has a really tough job at hand. It's one that any government in the
world wo
uld rather not handle. But as much as one would like to sympathize
with the te
am, its turnaround last weekend on new curbs on foreign exchange
transactions c
annot but leave people floored.... It's assuring to know that
Jakarta and the
IMF are now in such a conciliatory moodafter weeks of
chestthumping to show who
's tougher. Who wants to see a clash of the two
titans when all that would res
ult is one big mess? Jakarta's readiness to
put the currency tax plan on the b
ack burner demonstrates a new resolve to
come to an accommodation with the IMF.
The question is: Did the government
have to introduce it in the first place
just to be able to show a willingness
to retract it 48 hours later?...

"Whatever the reasons for the turnaround, the move does more harm than good.
I
t certainly does not help the new cabinet and the economic tsars amongst
them.
It gives ammunition to those who are waiting to pounce on the team,
making the
new cabinet look inept when it may not be. Neither does it help
those who wis
h Indonesia well and would like to see nothing but good coming
out of this tumu
ltuous phase."

"Asia Is Not Just One Country"
X` hp x (#
The progovernment Straits Times asked (3/20) in an editorial: "Are the
world'
s financial markets finally beginning to make sharp distinctions
between the di
fferent Asian countries? Is it beginning to dawn on investors

and fund manager
s that while Singapore, Hong Kong, Seoul and Jakarta may be
located on roughly
the same longitude, that does not mean they are all in the
same leaky boat? No
ne other than U.S. President Bill Clinton seems to think
so. 'Investors,' he s
aid last week, 'are beginning to see a differentiation'
between Asian countries
. Obviously worried that continued Indonesian
instability might infect the res
t of Asia, he urged that the whole region
should not be 'thrown into a longterm
recession because of the perception
that everything is the same everywhere.'
We welcome the assessment; we
share the worry; we second the recognitions tha
t prompted both.... The rest
of the region cannot possibly agree to be held ho
stage to Indonesia's
fortunes."
X` hp x (#

"Indonesia's Financial Tsunami Has Just Begun"

Lee Kim Chew, chief regional correspondent for the progovernment Straits
Times
, stressed in an editorial (3/20): "For years, Mr. Soeharto's critics
have bee
n crying out for reforms and protesting against corruption, collusion
and nepot
ism. But few in the ruling elite had listened to them seriously
because the ec
onomy grew and Mr. Soeharto could deliver. Now times have
changed radically.
The financial tsunami has shaken the Indonesian economy
to its foundations....
Indonesia needed a credibility boost and the new
cabinet for Mr. Soeharto's s
eventh fiveyear term was to have been it. But
the worst fears of many came tru
e instead. For them, the inclusion of his
close friend, Muhammad ('Bob') Hasan
, and eldest daughter Siti Hadiyanti
Rukmana has sent out the wrong signals, as
their business interests are the
very targets of reforms demanded by the IMF."

"Persistent Problems In Indonesia"

The progovernment Business Times carried this comment (3/20) on its

editorial
page: "The rupiah is not going to stabilize if the government
refuses to imple
ment important structural reforms. Jakarta's initial
reluctance to disband the
clove and plywood monopolies and privileges to the
national car naturally fuel
suspicions that nationalism is being used as a
cloak to perpetuate questionabl
e practices. No modern economy can afford
anachronistic features like the clov
e and plywood monopolies but, Indonesia's
brand of economic nationalism does ha
ve its advocates within government. Two
of themVicePresident B.J. Habibie and
Coordinating Minister for Economy
Ginanjar Kartasasmitaboth happen to believe i
n economic models which are in
ideological retreat.... While Indonesia does no
t necessarily have to pursue
the AngloSaxon brand of capitalism, it will be a s
erious mistake if it
closes its doors to deregulation. And while it is certain
ly easy to blame
foreigners for the crisis, the ruling establishment should tak
e a good look
at their ideas for solving Indonesia's problems."

"Will Asia Bounce Back Sooner Than Expected?"

The progovernment Business Times ran this editorial page commentary (3/19)
by
regional economics editor, Vikram Khanna: "There is a view gaining ground
that
just as Asia's economic miracle was long on hype, so too, is the story
of Asia
's bust; (and) that, in fact, the region's now beleaguered economies
will bounc
e back faster than most expectmaybe even by the end of this
year.... One (who
holds this view) is J. Bradford Delong, professor of
economics at the Universit
y of California at Berkeley and a former U.S.
Treasury official.... In the cas
e of Asia today, (Mr. Delong) suggested that
once the IMF and other internation
al institutions' money starts flowing
in...and investors become convinced their
money will not be lost or stolen,
the flow of funds to East Asia could quickly
start to accelerate....
Unfortunately though, there are some major difference
s between the
encouraging precedents that Mr. Delong cites and the East Asian s

ituation.
The crises in Britain and Mexico, for instance, were not compounded
by the
sort of structural problems that East Asia has...nor was there the sort
of
opaqueness that permeates so many Asian corporations and bankswhich itself
r
aises another problem, namely that we may not even know...just how deep and
per
vasive Asia's crisis is."

"Give Soeharto A Chance"

The progovernment Straits Times opined (3/17): "This ought to be said: It
is
Mr. Soeharto's prerogative to decide whom he wants in this new government
to h
elp him overcome the country's gravest economic crisis in three decades.
Forei
gners, whatever their views, cannot interfere in this regard.... The
talk is t
hat some of the ministers are avowedly antireform and economic
nationalists. I
f true, this will not be helpful, given the growing tension
between Mr. Soehart
o and the IMF over structural reforms to liberalize the
Indonesian economy....

"Fortunately, Mr. Soeharto can still look abroad for help, and he will get
it,
provided he does the right things.

"All this talk about IMF reforms infringing the Indonesian constitution is
unhe
lpful, to say the least. The sooner this is understood, the better....
The me
ssage about the need for reforms should not be taken for granted.
Unless Mr. S
oeharto pushes through with the IMF program to revamp the economy
and create th
e conditions for the massive privatesector debt to be
rescheduled, confidence i
n Indonesia will take a long time to return. It
risks becoming a basket case..
.. For a country that used to enjoy seven
percent annual growth, the sudden re
versal of fortunes is unexpected and
undeserved. But the worst is yet to come,
unless corrective policies are
implemented seriously. Failure to do this coul
d wipe out all that Mr.
Soeharto has achieved in the past 32 years. It is stil
l not too late to

prevent such a catastrophe."

"Chuan's Deft Housekeeping Deserving Of Praise"

An editorial in the progovernment Straits Times expressed this view (3/14):
"
In coming boldly to grips with the daunting problems that afflict his
country,
Thai Prime Minister Chuan Leekpai merits admiration and needs
support. The for
mer he has received in full measure in the neighborhood,
which is impressed by
his courage in grasping the nettle of the austerity
measures proposed by the IM
F when it put together a $17.2billion rescue
package. This weekend, it is the
turn of the United States, which was not at
all responsive when disaster struck
Thailand last July, to show appreciation
of Mr. Chuan's deft housekeeping by l
etting it off the hook of an
extravagant, $390million purchase of fighter jets.
... However, though its
feet seem to be planted firmly on the road to recovery
, Thailand is still in
some danger of being swept off course again if the turmo
il is allowed to
continue in the neighborhood. Referring to Indonesia and Mala
ysia, Mr. Chuan
acknowledged recently that 'if something goes wrong with them,
the impact to
us will be strong.'"

"U.S. Lends Big Helping Hand To Thailand"

The progovernment Sunday Times said (3/15): "In a resounding endorsement of
th
e Thai government's handling of the economic crisis, President Bill Clinton
pre
sented it with a $1.7billion aid package which involved an exceptional
offer to
buy back eight fighter jets which Bangkok cannot afford nowplus
muchneeded tra
de financing to help it through hard times. Thailand's
discipline on tough ref
orms was also held up as a 'powerful' model for
Asia.... The administration's
approval of Thailandfrom its democracy to
its overhauling of the banking sector
had contrasted vividly with its
exasperated remarks on Indonesia."

"Thailand On The Mend"
X` hp x (#

The progovernment Business Times's editorial emphasized (3/13): "Thailand see
ms to have improved its chances of getting out of its economic difficulties. A
lthough it is not out of the woods yet, the threemonthold Chuan Leekpai governm
ent is committed to reforming the economy and there is evidence that the steps
taken so far are working.... So far, Thailand has struck scrupulously to the t
argets set by the IMF in return for $17.2billion rescue package. It has result
ed in hardship...but the Thai people have generally accepted the reality that i
t is going to take a while to fix the economy.... There is reasonable social s
tability and, thanks to a transparent political system and a robust and at time
s rude press, the kind of rampant cronyism seen in Indonesia is absent. If eve
rything works out, the economy could start recovering by early next year.... Th
e other wild card in Thailand's fortunes is the fallout from its neighbors, Mal
aysia and Indonesia.... The fact is that if either neighbor falters...any chan
ce of sustaining Thailand's economic recovery would be rendered very difficult.
"

X` hp x (#

"Cabinet Lineup Shows Soeharto Is Still The Boss"

X` hp x (#

The progovernment Business Times (3/16) frontpaged this by its Jakarta corresp
ondent S.N. Vasuki, "Indonesia's new cabinet may draw flak in international cir
cles for being nationalist and antireform, but its composition represents a maj
or political victory for President Soeharto....

"Some argue that despite the economic crisis, Mr. Soeharto is sending a clear s
ignal that he remains the unchallenged leader of Indonesia.... One significant
feature is the absence of a single technocrat, signalling the eclipse of Indon
esia's fabled 'Berkeley mafia.' True, Professor Widjojo Nitisastro still remai
ns the government's senior economic adviser. But other ministers with technocr
atic credentialsoutgoing Finance Minister Marie Muhammad, Bank Indonesia Govern
or Sudradjad Djiwandono and Trade and Industry

Minister Tungky Ariwibowohave al
l lost their positions. Rightly or
wrongly, the new economic team is perceived
to have antireform,
pronationalist credentials."

SOUTH KOREA: "Soeharto's Cabinet Full Of Cronyism"

Antiestablishment Hankyoreh Shinmun concluded (3/16): "President Soeharto's
c
ronies fill the first cabinet of his seventh presidential term, deeply
disappoi
nting those concerned at home and abroad.... What makes the
situation worse is
not just that cronyism played the central role in
selecting the cabinet member
s, but that those chosen represent the very
opposite of what the IMF has demand
ed of the country. They are the people
who not only would lose all benefits sh
ould the IMF reforms be carried out,
but who also played leading roles in resis
ting IMF reform. Soeharto's eldest
daughter is the very embodiment of the pres
ident's deeprooted and pervasive
cronyism, while his golf friend was chosen to
be trade minister.... This is
provocative and baffling to the international co
mmunity.... How the
president will respond to international pressure is yet to
be seen.
Confrontation with the international community seems to lie ahead."
X` hp x (#
X` hp x (# THAILAND: "An End To Indonesia's Delaying Tactics"
X` hp x (#
The lead editorial of Englishlanguage Business Day said (3/23): "A major
inter
national news service said Indonesia was ready to 'embrace the IMF's
economic p
olicies' and the fund in return was in a 'flexible and conciliatory
mood.' Tha
t all sounds good. but let us not forget that after the first
formal agreement
between Indonesia and the IMF, a second agreement was soon
needed because Indon
esia chose not to abide by the conditions in the original
act. Predictably, th
e second agreement was also ignored.... Now comes the
third agreement, and any
one willing to believe that all will be well after
the IMF releases the next t
ranche of the rescue fund next month is naive and
gullible."

"Chuan's U.S. Trip Comes With Strings Attached"

Thitinan Pongsudhirak judged in the topcirculation, moderately conservative Eng
lishlanguage Bangkok Post (3/18): "The concessions granted by the White House
have effectively reverted ThaiU.S. relations from an increasingly equitable pa
rtnership back to traditional patronage.... Meanwhile, by lending a hand to th
e reformminded Chuan government, the Clinton administration achieved multiple
objectives. First, America has reasserted its role in the context of Asia's e
conomic crisis. Second, the aid to Thailand sent a veiled message to recalcitr
ant President Soeharto of Indonesia to shape up. Third, American companies fro
m manufacturing and services will get to stand at the front of the line when p
reviously protected sectors of the Thai economy open up to foreign competition
....
Most important, perhaps, is that the United States will have a much easi
er time enlisting Thailand's support in international fora, such as APEC. Nor
will it be as difficult to ask the government to use Thai naval or air force ba
ses for U.S. security aims.... Generally, Thailand will be less able to take a
n independent position in international and regional matters where American in
terests are at stake."

"After Last Year's Fallout, Two Old Allies Heal Wounds"

Pana Janviroj commented in the independent, Englishlanguage Nation (3/17): "T
he muchheralded summit between Prime Minister Chuan Leekpai and President Clin
ton...last week ought to wipe out much, if not all, the bad feelings that surfa
ced in Bangkok over the past nine months regarding the United States' lackadai
sical attitude toward Thailand....

"But it is too early to talk optimistically of a partnership in the making bet
ween the two countries as a result of the $1.7billion package of financial assi
stance to Thai students, businesses, the military and the government. Much mor
e remains to be done, and the perspectives and objectives of both sides will be

come clearer in the months ahead as the
engagements between the two old alliesw
ith 165 years of relationsare
being played out."

"Don't Be Complacent About Economy Yet"

Elite Siam Rath's lead editorial advised (3/17): "The United States promised
assistance to Thailand [during Prime Minister Chuan Leekpai's visit] because
b
oth the U.S. administration and Congress had started to realize that the
world
, including the United States, would also be adversely affected if an
economy w
ere allowed to go under. That the United States offered Thailand
assistance wa
s also for the United States' survival. There is no favor
rendered and no favo
r remembered."

"Coming To Terms With Reality"

Topcirculation Thai Rath had this editorial comment (3/17): "Having seen
stron
g determination on the part of the Chuan administration to follow
through the I
MF reform regimen, the IMF may ease some of its ironclad
measures. However, th
ere will be no reprieve for the required privatization
of incomeearning state
enterprises. This is to pave the way for takeovers
by foreign investors...so t
hat the government may generate enough income to
settle its IMF loans."

"Chuan's Trip To U.S. Heralds New Partnership"

The lead editorial of the independent, Englishlanguage Nation stressed
(3/16):
"U.S. President Bill Clinton's highprofile reception of Prime
Minister Chuan
Leekpai in Washington vividly demonstrated both the depth and
scope of present
ThaiU.S. relations.... In the bid to utilize Chuan's trip
to Washington to sen
d a strong message to Indonesia, American political and
business leaders shower
ed Chuan with praise for his stringent implementation
of the IMF bailout packag
e.... Very much to Chuan's credit...(he) did not
succumb to the pressure from
Washington to say what they wanted him to say so
as to marginalize Soeharto."
X` hp x (#

"Thailand's Success In America"

Trairat Soontornprapat commented in the masscirculation Daily News (3/16):
"Su
ch obvious sincerity the U.S. administration has displayed will help
dispel any
lingering doubts about the U.S. insincerity and the antiAmerican
sentiments he
re."

"Don't Be OverEcstatic About U.S. Praise"

X` hp x (#Elite, businessoriented Krungthep Turakij cautioned (3/16): "We do n
ot wish
to see Thai businessmen and members of the public feel unreasonably buo
yed up
by praises and promises of the United States, lest they forget the real
economic priorities at hand.... The government should not paint a false
pictur
e that the worst part of the crisis is already behind us, because there
still r
emain many fundamental problems, which require systematic solutions."
X` hp x (#
X` hp x (#SOUTH ASIA
X` hp x (#
X` hp x (# INDIA: "Mr. Soeharto's Choice"

The centrist Hindu's editorial said (3/18): "Soeharto has just completed
anot
her exercise in sham democracy, installing himself for a seventh
fiveyear term
as president after an 'election' in which he was the only
candidate. He has al
so assumed, with the approval of a pliant legislature,
extraordinary powers to
suspend people's rights. But a simmering discontent
is threatening to assume a
larming proportions....

"All is not lost, since Soeharto is his country's best hope of reform and he
st
ill enjoys the confidence of the Western powers. But he needs to convince
his
people that his actions are aimed at protecting their interests, not
those of a
small clique."

"Whither Indonesia?"

The proeconomic reforms Economic Times ran this analysis by Pundit K.
Subrahma
nyam (3/16): "After having signed the agreement, General Soeharto
has now seco
nd thoughts on the prescriptions of the IMF.... The president is
presumably ca

lculating that Indonesia is too important a country to be
allowed to sink into
an economic chaos by the international community and,
therefore, he can get the
bailout package on his terms, which would not
completely dismantle the crony c
apitalism."

"At The Helm, Not In The Hearts"

Under the above headline, the centrist Hindu's V. Jayant wrote from Jakarta
(3
/15): "Entrenching oneself in power is one thing, gaining international
recogn
ition and winning back investor confidence is another.... Indonesia
(may) have
won a bout with the IMF this time...but it (will) not take long
for even Indon
esia's rich and influential businessmen to realize they cannot
do without inter
national help.... If the IMF deal falls through, the economy
could collapse, b
ringing down with it the entire East Asian region."
X` hp x (#
X` hp x (# BANGLADESH: "How To Help Asia Recover"
X` hp x (#
The independent, Englishlanguage Financial Express' editorial recommended
(3/1
5): "What the West can and ought to do in order to facilitate the proper
recov
ery of East Asia is to make available to Asian countries, no shortterm
credits
or capital flows, since without being integrated with the needs of
the real sec
tors played a prime role in destabilizing the economies in the
first place. Ea
st Asian countries must have easy access to longerterm
lending on easy terms so
that they can carry out their urgent imports of
capital goods and raw material
s which have a direct bearing on much of the
export sector. Such cooperation c
an hasten East Asia's recovery, while also
increasing the volume of Asian impor
ts from the Western countries."

X` hp x (# SRI LANKA: "How Long Will Soeharto Hold Out?"

Mervyn de Silva pointed out in a commentary in the independent,
Englishlanguag
e Sunday Times (3/22): "In the New World Order, the United
States calls the sh
ots. The United States approves or rejects; the IMF
carries out the orders.

When needed, the World Bank extends a helping
hand.... How long can President
Soeharto of Indonesia, despite all his
country's wealth, refuse to carry out th
e orders?"
X` hp x (#
EUROPE

CANADA: "AntiIMF Cabinet Latest Twist In Soeharto's HighStakes Game"

The businessoriented Financial Post contended (3/17): "If pride goes before
t
he fall, Indonesia's President Soeharto has taken a big gamble in his
prideful
snub of the IMF.... Because so much is at stake regionally, the
IMF has litt
le choice but to salvage some accommodation in Indonesia.... A
hopeful sign ha
s been the emergence of Japan as an 'honest broker' in the
Indonesian crisis..
.. Both Japanese Prime Minister Hashimoto and Soeharto
favor a facesaving 'Asi
an' solution to the crisis over one imposed by the
IMF."

LATIN AMERICA

ARGENTINA: "An explanation For Asia And Its Crises"
X` hp x (#
Businessfinancial Buenos Aires Economico ran an opinion piece by H)ctor W.
Wa
lle, Chief economist from Fundacion Andina (think tank), which said
(3/25): "
Even though I recognize the inefficient government intervention
and the decrea
sing output of the invested capital, my understanding of the
current problems o
f the development strategy in East Asia is more inclined to
indicate as a reaso
n the triangle among the United States, China and
Japan.... China's competenc
e and the dollar revaluation in relation to the
yen affected the...markets of E
ast Asia, the United States and Japan....
Anyway, all those problems cannot co
mpletely explain the crisis of
mid1997.... It should be emphasized that it is
the whole combination of
economic policies and processes which define the depth
of individual

problems.... It is important to note that, even though this is
not a
catastrophe comparable to the '30s or (so far) to the first oil crisis of

mid1970s, it is not a shortterm problem either, which has already been
solved
by the financial rescue packages in operation.... In addition, to
understand
where Asia is going and how can that affect the rest of the world,
the issues t
o be dealt with exceed by far the strictly economic sphere. On
one side, there
is a central geopolitical dimension in the triangle among
China, Japan and the
United States. Historically, the superpowers...at a
world level have always
destabilized international economic relations. On
the other side, at a regiona
l level, several of the affected countries have
weak or nonexistent democratic
systems, which have difficulty generating
general social consent in a less flou
rishing economic framework."
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========== END ATTACHMENT 1 ==========

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: Allison Fansler (CN=Allison Fansler/O=Department of the Treasury [UNKNOWN])

CREATION DATE/TIME:26-MAR-1998 15:51:01.00

SUBJECT: draft weekly

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

TEXT:
Like I said, this is a draft. I'll get you changes as soon as I have

them, but they should be minimal. Thanks.

MEMORANDUM FOR ERSKINE BOWLES, THE WHITE HOUSE

FROM: Robert E. Rubin

SUBJECT: Weekly Report for the week of March 30, 1998

HOT ISSUES

IMF Funding

IRS

KEY NEWS

Russia: Markets have reacted positively to President Boris Yeltsinþs March 23 cabinet reshuffle, in part because of speculation that the new Prime Minister will be an improvement over Chernomyrdin. Russiaþs domestic debt market has strengthened, with yields on treasury bills falling to 27%. Russian foreign debt has been steady, and Russia issued

a 7-year, $675M-bond on Tuesday at a yield of about 9.5% (compared with 15% for Ukraineþs recent 2-year bond). Markets, however, could turn against Russia if Yeltsinþs nominee for Prime Minister is disappointing or if the process of creating a government drags through the spring and delays consideration of key economic legislation, such as the tax code.

IDB Annual Meeting: On March 16-18, Deputy Secretary Summers met with Latin Finance Ministers at the Annual Meetings of the Inter-American Development Bank in Cartagena, Colombia. Summers urged the IDB to deepen its support for the Summit of the Americas education goals, and both the IDB and Latin Finance Ministers were receptive to his proposal to double IDB lending for primary and secondary education, to $3 billion, over the next three years. There was also significant support for the creation of an additional special fund for regional education initiatives, which could further support our Summit agenda. There was a pervasive optimism in Cartagena that Latin America would stay immune to Asian financial turmoil, in large part due to its economic and financial reforms of recent years. There seemed to be greater concern that declining commodity prices, including oil and copper, would reduce growth in several countries in the region.

Malaysia: On March 24, Deputy Prime Minister Anwar delivered a policy speech which followed extensive discussions with IMF staff. No formal IMF support is being sought, however. While the speech outlined some significant steps, it left a number of important areas unaddressed, and a number of the key commitments appeared equivocal. Furthermore, it is far from certain that Prime Minister Mahathir is committed to the promised

reforms. The markets reacted with disappointment, with the Malaysian currency--which had been rising --falling by 3.3% after the speech was delivered.

Cuba: Treasuryþs Office of Foreign Asset Control worked with State and NSC officials in preparation for a Presidential announcement on March 20, making changes to the current Cuba policy. The changes remove the ban on direct flights to Cuba in effect for the past two years; reinstate provisions allowing persons with close relatives in Cuba to send up to $300 per quarter; and implement procedures for more expeditious processing of applications at both Commerce and OFAC for licensing U.S. companies and their foreign subsidiaries to sell medicines and medical supplies to Cuba. These measures are in response to the Popeþs visit to Cuba and intended to build on the U.S. Governmentþs efforts to strengthen Cuban civil society, and expand humanitarian assistance and support to the Cuban people.

IRS: On March 23, Deputy Secretary Summers spoke to the Tax Executive Institute on IRS restructuring and sunsetting the tax code. Treasury continues to work with Members of Congress to encourage the quick passage of IRS reform legislation in the Senate. On March 24, Chairman Roth released an outline of his IRS reform bill which goes further than a measure approved by the House last fall in a number of key areas. Roth's proposal would give an independent advisory board more investigative authority than it would have under the House bill, would also seek to make the board more independent by omitting the Treasury Secretary and employees representative from its membership, and includes changes in the structure of the IRS, innocent spouse relief and penalty and interest

reform.

On March 25, Secretary Rubin met with Senate Finance Committee Chairman Roth to discuss the IRS restructuring legislation currently in the Finance Committee. On March 23, Commissioner Rossotti met with Chairman Roth to discuss the same issues. Secretary Rubin spoke with Senators Kerrey and Moynihan to discuss strategy for moving forward on a bill as soon as possible. On March 31, Commissioner Rossotti will testify before the House Ways and Means Oversight Subcommittee.

WORK ON PRESIDENTIAL INITIATIVES

Tobacco: On March 23, the Vice President held a conference call with state Attorneys General to highlight the release of Treasuryþs state-by-state analysis on the effects that the Administrationþs tobacco plan would have in reducing the number of deaths from teen smoking. On March 25, Deputy Secretary Summers spoke at the George Washington University School of Public Health on tobacco. In conjunction with that speech, Treasury released a report on the benefits that a tobacco settlement would have for the U.S. economy. On March 24, Deputy Secretary Summers testified before the Senate Commerce Committee on tobacco industry payment scenarios and their impact on cigarette pricing.

Community Development Financial Institutions (CDFI) Fund: Treasury continues working to build support for the CDFI Fund in preparation for upcoming reauthorization hearings, and during the week of March 23 will transmit the reauthorization legislation to the Hill. On March 27, CDFI

Director Lazar will meet with the Community Development Advisory Board, the advisory board of the CDFI Fund, to discuss the Fundþs activities and programs. On March 23, Director Lazar spoke at the opening of a new branch of the Santa Cruz Community Credit Union, a certified CDFI and 1996 awardee under the CDFI Program. Santa Cruz has used their award to open a new branch serving the predominantly Hispanic population of Watsonville, California. On March 30, Director Lazar will meet with Rep. Green to discuss the CDFI Fund.

On March 19, Secretary Rubin appeared before the Congressional Hispanic Caucus and discussed CDFI, among other issues. Chairman Becerra requested information on the impact of CDFI on Hispanic communities, and Treasury will work to provide information on all aspects of the CDFI program. On March 23, Treasury sent CDFIþs Annual Report and copies of Secretary Rubin and Director Lazarþs testimony to the Members on the House VA/HUD Appropriations Subcommittee.

Race Initiative: On March 31, Treasury will sponsor the second in a series of seminars on race. The seminar will feature Robert Fairlie, an economist at the University of California at Santa Cruz, who will discuss race, immigration, and self-employment.

Electricity Restructuring: On March 25, the Administration released its comprehensive electricity restructuring proposal, and Treasury worked with the Department of Energy to finalize the terms of the proposal. The plan encourages states to implement retail competition in the electricity industry by January 1, 2003, which would save consumers an estimated $20

billion annually. The plan would also end the use of tax-exempt bond financing for new electricity generation facilities, but would grandfather all currently outstanding electricity-related tax-exempt bonds.

National Savings Day: On March 26, Deputy Secretary Summers joined NEC Director Sperling and other Administration officials at the White House to announce the Savers Summit that will take place at the White House in June. Deputy Secretary Summers will also highlight the Administrationþs accomplishments in the retirement savings area and the importance of savings.

Climate Change: Treasury continues working to brief representatives of environmental groups and international auto manufacturers on the Administrationþs proposed tax credit for fuel efficient vehicles. During the week of March 23, Treasury officials also met with representatives from the Semiconductor Industry Association and ABB Corporations on the climate change tax incentives for recycling equipment and circuit breakers, respectively.

CONGRESSIONAL ACTIVITY

IMF/Asia: Treasury continues its outreach efforts to inform Members of Congress, their staff, and business representatives of the IMFþs efforts in Southeast Asia. On March 19, Secretary Rubin briefed the Tuesday Group, a group of moderate Republicans, on the situation in Southeast Asia and funding for the IMF. On March 23, Deputy Secretary Summers spoke

with Reps. Callahan, Knollenberg, Kolbe and Miller about IMF funding and events in Southeast Asia. On March 24, Secretary Rubin met with the CEO of Unilever, United States to discuss Asia, and addressed approximately 150 business representatives on the IMF at a US Chamber of Commerce luncheon with Rep. Gephardt. On March 26, Deputy Secretary Summers will meet with Sen. Murkowski to discuss South Korean banking and the IMF, and Secretary Rubin will speak on IMF funding to the Presidentþs Advisory Committee for Trade Policy and Negotiations (ACTPN), which consists of leaders of export-oriented industries and unions primarily affected by trade. On March 30, Secretary Rubin will brief the Blue Dog Coalition and Deputy Secretary Summers will meet with the new Democrats on the IMF and budget issues. On March 31, Secretary Rubin and Chairman Greenspan will brief the House International Relations Committee on the current situation in Southeast Asia and funding for the IMF.

IMF Legislation: On March 24, the House Appropriations Committee approved the IMF/UN bill by voice vote. This bill included a number of objectionable provisions, which were outlined in a letter Secretary Rubin sent to Chairman Livingston on March 24. These provisions would require the IMF to insist that countries borrowing more than $500 million meet specific conditions, such as compliance with trade agreements and an end to government-directed lending and subsidies, before the $14.5 quota increase would be made available. The conditions in the bill included a substantial portion of the Banking bill, but dropped or amended some of the key labor provisions that were approved by the Banking Committee on March 5.

Tax/Budget: On March 30, Secretary Rubin will brief the Blue Dog Coalition on the IMF and other issues, including sunsetting the tax code and Social Security. On March 17, the Senate Budget Committee included tax code sunset language as a Sense of the Senate in their budget resolution. The tax cuts suggested by the resolution total a little more than $30 billion over five years, which is significantly less than the level Chairman Roth has been seeking, and Treasury is working to review the tax proposals in the resolution. The House may include the language in their budget resolution or introduce it as a bill, although in either case, action in the House is not likely in the near future.

Natural Disaster Insurance: On April 23, Deputy Secretary Summers will testify on natural disaster insurance before the House Banking Committee. On March 31, Deputy Secretary Summers will meet with Reps. McCollum and Lazio and insurance CEOs to discuss natural disaster insurance proposals. On February 4, the House Banking Subcommittee on Housing and Community Opportunity marked up and passed Chairman Lazioþs bill. Treasury has not yet endorsed any legislation or publicly stated a position on the matter, but is committed to having a formal position prior to the mark up of the bill by the full Committee, which has not yet been scheduled.

Credit Unions: On March 26, Assistant Secretary Carnell, accompanied by Under Secretary Hawke, will testify before the Senate Banking Committee on the Supreme Courtþs recent decision on credit unions. Majority staff have indicated that the Committee is interested in exploring some of the safety and soundness recommendations in Treasuryþs credit union report, and would also like to clean up the structure of the NCUA. On March 23,

the House Banking Committee released a discussion draft of federal credit union legislation that reflects a number of changes from the main credit union bill, and the committee plans to mark up legislation on March 26. The legislation is important for credit unions because it offers some relief from a February 25 U.S. Supreme Court ruling against a broad membership policy applied by the National Credit Union Administration.

Student Loans: On March 19, the House Committee on Education and the Workforce approved a five-year reauthorization of the Higher Education Act of 1965. The Committee's bill reduces student loan rates by 80 basis points but authorizes a subsidy of 50 basis points to compensate banks. The administration is opposing this public subsidy to banks, on the basis of the Treasury study which shows that banks can earn a competitive rate of return with an 80 basis point reduction in the student loan rate. On March 18, the Senate Committee on Labor and Human Resources convened a majority and minority staff briefing on Treasuryþs student loan rate report.

Year 2000 Hearing: On March 18, FMS Assistant Commissioner Craig and other Treasury officials testified before the House Government Reform and Oversight Subcommittee on Government Management, Information and Technology and the House Science Subcommittee on Technology regarding FMS's progress in meeting the challenges posed by the Year 2000 (Y2K) computer problems. FMS testified that they are on schedule in replacing the systems that are critical to issuing payments, in particular Social Security payments, and that the renovation of all other systems will be completed by mid-1999.

Counterfeiting Hearing: On March 31, officials from the Secret Service and the Bureau of Engraving and Printing will testify before the House Banking Subcommittee on Domestic and International Monetary Policy on the use of copiers in counterfeiting. During the week of April 1, Assistant Secretary Johnson will meet with Rep. Castle to continue their discussion of counterfeiting. On March 18, Secret Service briefed the House Banking Committee on efforts to combat counterfeiting.

Financial Crimes Enforcement Network (FinCEN): On April 1, Assistant Secretary Johnson and FinCEN Deputy Director Baity will testify before the House Banking Oversight Subcommittee on GAO studies of FinCEN and the future direction of the bureau. Deputy Director Baity will also meet with Subcommittee Chairman Bachus on March 25.

PRESS ACTIVITY

International: On March 19, Deputy Secretary Summers briefed reporters from the following news organizations on US economic policy with Japan: APDow Jones, Reuters, Bridge News, Bloomberg, AP, The New York Times, The Washington Post, The Wall Street Journal, USA Today, The Los Angeles Times, Financial Times, Business Week, Newsweek, Jiji Press, Nikkei, Yomiuri Shimbun, Asahi Shimbun, and Mainichi Shimbun. On March 20, Deputy Secretary Summers spoke with The Washington Post and The New York Times regarding Indonesia, and Assistant Secretary Geithner spoke with Newsweek regarding the banking system in Japan. On March 21, Secretary Rubin

appeared on CNNþs Evans and Novak to discuss a variety of issues including; tobacco, Social Security, the budget, pending IMF legislation and Indonesia. On March 23, Secretary Rubin participated in a USA Today Editorial Board briefing, and on March 24, Under Secretary Lipton spoke with The Wall Street Journal on Indonesia.

Domestic Finance: On March 19, Secretary Rubin addressed the National Community Reinvestment Coalition's 1998 annual national conference. This event was covered by The Wall Street Journal, Knight Ridder News Service, American Banker, and Bloomberg News Service. On March 24, Assistant Secretary for Financial Markets Gensler spoke with a roundtable of reporters about debt management.

U.S. Treasurer: On March 18, Treasurer Withrow kicked-off the local Savings Bond campaign and visited Clifton Elementary School in Cincinnati, Ohio. The Treasurerþs visit was covered by WCPO-TV (ABC affiliate), The Cincinnati Enquirer and The Post. On March 23, Treasurer Withrow spoke with The Lehrer NewsHour Internet reporter on circulating commemorative quarters for a story to run on their childrenþs web page .

Enforcement: On March 20, Under Secretary Kelly joined Rep. Hoyer at an event highlighting ATF's Gang Resistance Education And Training (GREAT) program at a school in Prince George's County, Maryland. Local press including the Prince George's Post, Prince George's Journal and Newschannel 8 ran stories. On March 23, Director Lynch of the Secret Service's Counterfeit Division taped an interview with Reuters Financial TV on the rise of computer-generated counterfeit currency and Treasury's

plans to combat the problem. On April 1, Under Secretary Kelly will speak at a press conference at Christie's in New York to talk about a Customs case which resulted in the forfeiture of $500,000 of diamonds that will be sold at a Christieþs auction.

SECRETARYþS SCHEDULE

The Week in Review

Monday, March 23

Met with the USA Today Editorial Board.

Tuesday, March 24

Met with representatives from Unilever to discuss the Asian financial situation.

Met with Mitsubishi International Corporation President Makihara to discuss the Asian financial situation.

Addressed the U.S. Chamber of Commerce luncheon with Rep. Gephardt on the IMF and SE Asia.

Met with IRS Commissioner Rossotti to discuss IRS restructuring.

Attended dinner hosted by Senator John Chafee that included Senators Moynihan, Kerrey, and Collins.

Wednesday, March 25

Attended meeting with Deputy Secretary Summers and international labor leaders arranged by the AFL-CIO to discuss the IMF and SE Asia.

Met with Senator Roth to discuss IRS restructuring.

Thursday, March 26

Breakfast with Chairman Greenspan.

Met with the Presidentþs Advisory Committee on Trade Policy and Negotiations.

Friday, March 27

Interviewed by Clay Chandler, Washington Post.

Met with David Ignatius, Washington Post.

The Week Ahead

Monday, March 30

Will meet with Blue Dog Democrats to discuss the IMF and SE Asia.

Tuesday, March 31

Will meet with Members of the House International Relations Committee to discuss the IMF and Southeast Asia.

Will tour Treasuryþs Year 2000 Command Center with John Koskinen.

Will address the Young Presidents and World Presidents Organizations.

Wednesday, April 1

Will attend Business Roundtable Breakfast.

Will meet with Harvey Fineberg, Provost of Harvard University.

Will attend dinner hosted by Jim Wolfensohn, World Bank.

Thursday, April 2

No external meetings.

Friday, April 3

Will meet with Merrill Goozner, Chicago Tribune.

Answers to Weekly Report Questions

IRS: You had asked when the members of the IRS Citizens Advisory Panel (CAP) will be chosen. The first panel will be in South Florida and the members are likely to be presented for your approval by late May.

ARMS Email SystemRECORD TYPE: PRESIDENTIAL (TRP NOTES MAIL)

CREATOR: SUNTUM_M (SUNTUM_M@a1.eop.gov [UNKNOWN])

CREATION DATE/TIME:13-APR-1998 21:35:56.00

SUBJECT: 1998-04-13 Trip Briefing by Berger, McLarty, and Barshefsky

TO: "/R=3$=/C=US/ADMD=WESTERN UNION/O=ATT.COM/DD.ELN=62955104/"@mrx.eop.gov ("/R=3$=/C=US/ADMD=WESTERN UNION/O=ATT.COM/DD.ELN=62955104/"@mrx.eop.gov [UNKNOWN])
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TO: Andrei H. Cherny ("Andrei H. Cherny"@lngate4.eop.gov [@LNGATE])
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TO: backup (backup@wilson.ai.mit.edu [UNKNOWN])
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TO: BARTHOLOW_T (BARTHOLOW_T@a1.eop.gov [UNKNOWN])
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TO: Adam W. Goldberg (CN=Adam W. Goldberg/OU=WHO/O=EOP [WHO])
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TEXT:

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 13, 1998

PRESS BRIEFING BY

NATIONAL SECURITY ADVISER SANDY BERGER,

SPECIAL ENVOY FOR THE AMERICAS MACK MCLARTY,

UNITED STATES TRADE REPRESENTATIVE CHARLENE BARSHEFSKY

The Briefing Room

3:43 P.M. EDT

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

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

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

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

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

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

Decades of civil war and coups have given way generally

in the hemisphere to peace and stability. Despite the peso crisis in Mexico and the effects of the Asian financial problems, economic reforms in the hemisphere have resulted in the lowest inflation and highest growth in two decades. Forty-two percent of all US exports -- Ross Perot does this somehow easier, I don't know quite how he does it -- forty-two percent of all U.S. exports, $286 billion go to

hemispheric countries in 1997. That represents a 17 percent increase in exports in 1997.

Q From when?

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

Now, Mack will talk more about the road from Miami to Santiago, but it certainly has been a road that has been marked by a number of concrete realizations of commitments that were made in Miami. In Miami we agreed to expedite ratification of a protocol providing that any state that ceased to become a democracy would be

expelled from the OAS. That was done in October '97. We agreed to initiate a process of regional confidence building. Since then we have established an OAS committee on hemispheric security. On the economic integration side, you can see from these charts, what is happening is not only economic growth but economic integration between us as and the hemisphere and within the hemisphere, within regional groups within the hemisphere.

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

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

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

Now, the people in Latin America have chosen democracy

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

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

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

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

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

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

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

On Thursday the President will meet with President Frei. They will finalize and then sign a U.S.-Chile communique on which we've been working. They will tour a neighborhood of Santiago and have a roundtable conversation with community leaders, which will

provide an opportunity to discuss Chile's record of economic growth and poverty reduction. And then finally -- not finally, next to finally -- the President will address business leaders, which together with the event in a poor neighborhood, will provide I think the two sides of the coin that we've talked about so much; that is, economic growth to provide opportunity, a social safety net in order to make sure that that opportunity is spread widely. And then that evening there will be a state dinner.

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

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

And then on Sunday the summit resumes at 9:00 a.m. at the Sheraton. There will be two leader discussion sessions, one on trade, and the final one, which really has no specific agenda will be

essentially an open-ended discussion. At about 12:30 the summit will conclude at the former Congress building with statements from several leaders, including President Clinton, President Frei, Prime Minister Chretien, since Canada is likely to be the host of the next Summit of the Americas.

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

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

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

We are well aware, the President is acutely aware, of our history in the region from time to time, which has been marked by intervention or neglect. I think he is also keenly aware of this quiet revolution that Sandy noted, a profound change, in many ways as profound as the fall of the Berlin Wall. We have both, from time to time, used the phrase "this is not your father's Latin America," which is, I think, a good way of describing some of the changes --

remarkable changes of 34 out of 35 countries are now democratic. In Central America we don't have the United States and the Soviet Union in a Cold War battlefield or civil wars there. And in fact the export market for U.S. goods in Central America is larger than all of the former Soviet states put together.

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

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

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

Central American leaders and the Caribbean leaders.

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

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

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

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I think most of us would agree the bright line between foreign policy and domestic policy has blurred. You'll see that at this summit. From a U.S. perspective, whether it's jobs, the economy, energy prices, gasoline prices with summer vacations coming

up, education, fighting the drug trade, alleviating poverty, or protecting the air we breathe, the issues we will discuss at this summit are the issues that affect our citizens and families here at home. They are issues that our people care about and care about deeply.

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

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

I think it's a fair question to ask, how is improving education in Latin America going to help people here in the United States? I think the answer is, good schools make good neighbors.

Education advances our economic and security interest in the region. First, it expands the middle class that buys U.S. goods and services that are noted on this chart. Secondly, it reduces the opportunity to buy or sell illegal drugs to be part of that undercurrent and undertow. It reduces illegal immigration by encouraging people to stay at home with their families, and it makes for more stable democracies, and with partners who are ready and willing and able, as they have demonstrated, to stand by us not only in the hemisphere, but in terms of our peacekeeping efforts in Bosnia and our efforts in the Persian Gulf.

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

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

In terms of democracy, I think we will see an emphasis on broader democratic participation, certainly the strengthening of the judicial system in Latin America -- a fair, open professional

judiciary is key to any modern contemporary working democracy. Attorney General Reno, Justice Breyer have worked very diligently on this effort.

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

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

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

The region clearly still has too much poverty -- over 150 million below the poverty line, despite the progress that Sandy

noted. And these targeted issues, while they can be viewed as rather mundane, are critical for including everyone in an open-market democracy in terms of microcredit to small business -- which I certainly can identify with coming from a small business, a family-owned business -- land titling; and certainly women's issues and inclusion in the economy and the democracy.

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

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

In terms of the FTAA launch, there is a true consensus

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

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

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

I think the real opportunity of Santiago is to change the very shape and nature of the character of our relationship in the

hemisphere, and to have truly a foundation for both security and prosperity as we move toward the 21st century.

AMBASSADOR BARSHEFSKY: I'll try and be brief. We've talked about the political declaration that the leaders made in 1994 at Miami, that there should be a free trade area of the Americas. As important as that political declaration was in 1994, the formal launch of these negotiations following three and a half years of preparatory work, ensures the realization of the Miami vision. There will be a free trade area of the Americas. A comprehensive launch will be initiated in Santiago, along with all that that implies.

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

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

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

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

This year there has been rather -- I should say over the last several years -- there has been rather a change of attitude, and I think a growing recognition in our hemisphere that people -- all segments of society -- need to feel empowered by this process of hemispheric integration, not disempowered by it. And so we have for the first time now established a committee within the FTAA to be

chaired by the ministers themselves, that is to say, by those most responsible directly to their political constituencies, to take into account these views and to translate these views, where appropriate, into negotiating objectives.

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

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

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

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

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

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

And by opportunity, of course, I mean U.S. jobs, because that's what the bottom line is here from our point of view. We already have an economy in which, of new jobs created, one in five

depend on exports. One in five new jobs are in manufacturing and dependent on exports. And we know that exports pay on average 15 percent more than non-export related jobs.

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

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

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

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

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

MR. BERGER: Let me answer and then I'll ask Charlene to

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

Charlene.

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

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

Chile; between Chile and certain of the Central Americans; or between Chile and Mexico; Mexico and Mercosur; the EU and Mercosur; Asia and Mexico.

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

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

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

Q -- going to be embarrassing, really, because this

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

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

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

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

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

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

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

Q Ambassador Barshefsky, you said that the United States is at the center of this process. In Santiago, Brazil will be signing a number of trade agreements, and the President won't be signing any. I wonder, most commentators seem to think that Brazil

is now at the center of this process. How do you avoid having the President look like he's become superfluous?

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

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

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

MR. MCLARTY: One quick thing, I think the negotiations

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

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

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

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

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

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

MR. BERGER: No, he will say the same thing whether he's in the audience or not. Chile is a democracy with a glorious recent history of having reclaimed its democracy, and I can assure

you that what the President says will not be affected by whether General Pinochet is in the audience or not.

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

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

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

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

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

MR. BERGER: Well, on education there will be

commitments, not only in terms of multilateral funding but also bilateral commitments as well. I'll let Mack, perhaps, speak more specifically about it. Go ahead, Mack.

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

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

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

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

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

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

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

Q Many members of the Hispanic caucus in the delegation?

MR. BERGER: Yes.

Q Mack, you mentioned that on the economic agenda, international financial stability will be a big point in Santiago. Right after the peso crisis, the United States took the lead in international fora, particularly the G-7, to address this problem

through the IMF, with greater transparency and surveillance of international banking, et cetera. And for about a couple of years, there was an awful lot of self-congratulations, that a lot progress had been made -- it's even in the Halifax and Leone communiques -- and boom, we got the Asian crisis when there had been every indication that enough prevention had taken place.

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

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

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

And I think that's why you have seen to date stable financial markets in Latin America despite a sharp decline in oil prices, where many of the economies are very dependent on oil prices.

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

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

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

MR. BERGER: I think this is happening informally

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

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

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

MR. BERGER: Well, I don't know what factors they took into account when they made that judgment. We have said that the steps that the Japanese government undertook last week were good

steps forward but that, as we've said before, it is extremely important that that economy be stimulated and increase at a faster rate of growth -- not only for its own health but also for the overall health of the Asian economies.

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

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

Q Could this be a replacement of certification with time?

MR. BERGER: Well, certification is an act of Congress; it's the law of the land. We obviously intend to comply with it. Both of these are directed toward the goal of enhancing cooperation in fighting drugs in the hemisphere. If at some future point the

alliance were strong enough and viable enough that it were advancing that goal, obviously one might take a look at that. But I think at this point I would say they complement each other.

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

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

MR. MCLARTY: Well, the only -- I think Sandy really has covered the subject very well. The only additional point I would make in terms of the cooperation is that from a Latin standpoint or a Caribbean standpoint, they view this deadly threat, as Sandy noted, as seriously as the families of our countries do. This is not

something we are imposing are having to try to change any views. The truth is, it is a very formidable foe. So I think it calls for increased cooperation. I think that will be achieved at Santiago. The goal of cooperation, the multilateral drug alliance, and certification are the same. Certification is the law, as Sandy noted, and we'll continue certainly to abide by and enforce that law.

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

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

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

Q Will he then come back here?

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

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

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

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TEXT:
The foreign media dwelled on the many obstacles facing the implementation of last Friday's peace agreement, but they also continued to praise the Irish, British and U.S. architects of the deal and to emphasize the importance of the Clinton administration's mediation. For observers--most tellingly in Europe and in the Middle East, where the Irish achievement provided a "frustrating" contrast to their peace process--the accord served as the latest reminder that, in conflicts around the world, "the decisive moves continue to be made by the Americans." President Clinton and his envoy, George Mitchell, were singled out repeatedly for their good offices. Buenos Aires's daily-of-record La Nacion judged, for example, "The historical peace accord for Northern Ireland...will become the clearest triumph of President Clinton's foreign policy." European commentators yet again were left lamenting Europe's political impotence. Centrist Stuttgarter Zeitung, looking ahead to European intervention in the Middle East peace process, concluded, "The Europeans are carrying no weight, not only in the Middle East..... For the Europeans it is again embarrassing that they have been unable to solve a single conflict on the continent without the help of the Americans."

The press in Ireland and in Britain, in turn, highlighted the need to campaign in favor of the accord, persuade its opponents and secure its endorsement in a referendum come May. London's conservative Times

reflected how cautiously the plan's architects are proceeding. Referring to hopes that Mr. Clinton might visit both parts of Ireland before the referendum, the paper noted that no decision would be announced yet, since "if the build-up to the ballot did start to go badly, an American presidential trip in support of the peace document could be seen as inappropriate interference."

BRIEFS

-- Richardson To South Asia: Wide-Ranging Dialogue Expected

-- U.S.-China: 'Clinton Bets On Softly, Softly Tactics'

-- Asian Financial Crisis: 'Japan's Deflationary Spiral?'; IMF Policy

-- U.S. Forces In Japan: Low Altitude Flight Training 'Politicized'

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

NORTHERN IRELAND PEACE ACCORD:

'THE POWER OF U.S. MEDIATION'

BRITAIN: "A Risk Worth Taking: Paramilitaries"

The liberal Guardian's editorial said (4/14): "The important test is whether the ex-paramilitaries are truly committed to peace and democracy--and that will take time. Granting them that time--as well as a face-saving way to hand over arms without the appearance of surrender--is a risk. But, for the sake of peace, it's surely a risk worth taking."

"Clinton's Caution"

According to the conservative Times (4/14): "President Clinton said last night it was important that he should not decide yet whether to visit both parts of Ireland before the (May) referendum, as has been widely anticipated. His public note of caution reflected second thoughts on both sides of the Atlantic. If the build-up to the ballot did start to go badly, an American presidential trip in support of the peace document could be seen as inappropriate interference and could be politically damaging to Mr. Clinton at home."

IRELAND: "Selling The Deal"

In the view of the top-circulation, centrist Irish Independent (4/13): "When the Irish and British governments and the Northern parties made their historic agreement on Good Friday, they reached not an end, but a beginning. It was a beginning in the sense that they cast off the shackles

of history and looked to a new concord for the whole island. But it was also a beginning in the sense that the agreement has no effect until the people of Ireland, North and South, endorse it in separate referendums. And that endorsement is still uncertain. No sooner was the pact made than it came under heavy onslaught from a variety of opponents. Their opposition will intensify during the referendum campaigns. It must be countered with the utmost vigor, but a vigor tempered with sensitivity."

GERMANY: "Proof That Peace Is Possible"

On national radio Deutschlandfunk of Cologne (4/14), Walter Heine commented: "A great day for the Irish and a triumph for the British Prime Minister Tony Blair, who pushed for the agreement more than any other. There is something special about this peace agreement: It proves that supposedly insoluble problems can be solved. One has to risk something, be patient, active, and endure. Considering that there are so many insoluble conflicts in the world, the example of Northern Ireland proves that peace is possible."

"Not Without The Americans"

Centrist Stuttgarter Zeitung's editorial concluded (4/14): "The signatures on the agreement were barely dry when Palestinian leader Yassir Arafat called on British Prime Minister Tony Blair to try something similar in the Middle East. Blair will soon visit the Middle East. The Israeli government, however, pointed out that the success was due to the untiring efforts of U.S. mediator George Mitchell. Which means: If any country has

the power to negotiate, it is the United States. The Israeli government is right. The Europeans are carrying no weight, not only in the Middle East. It is not only in Bosnia that they have failed to foster peace. Even the

peace agreement on the Irish island would not have happened without U.S. mediation.... As nice as it is that the guns are silent on the island, for the Europeans it is again embarrassing that they have been unable to solve a single conflict on the continent without the help of the Americans."

FRANCE: "Too Soon To Call It Historic"

Left-of-center Liberation's Jacques Amalric stressed (4/13): "After the time of superlatives, comes the time of realism: It is too soon to call the Belfast agreement historic.... The months ahead will be decisive: Each camp has enough fundamentalists to fear provocations, and eventually more dead."

"The Great Missing Figure: Europe"

Jacques Malmassari observed in right-of-center France Soir (4/14): "Belfast is not the only place where it is obvious that peace needs godfathers who can handle the financial trick and the military threat. What would be the situation in Sarajevo, if the United States had not imposed the Dayton agreement? Unfortunately, in both cases, the European Union remained out of the game because it had no foreign policy. Europe remains the missing figure on the world scene, because it cannot predict the conflicts that

plunge it into mourning or take place at its door, and it cannot end them."

"The Power Of U.S. Mediation"

An editorial in right-of-center Les Echos held (4/14): "The peace agreement signed Friday is not yet peace. It is the first great political success for Tony Blair, the victory of realism for the Irish leaders Bertie Ahern, Gerry Adams and David Trimble. It illustrates the power of American mediation."

ITALY: "Clinton's Doctrine"

Gianni Riotta's front-page editorial for centrist, top-circulation Corriere della Sera concluded (4/12): "`The lesson is an easy one: don't ever stop'...in this sentence, the historians of the future will see the 'Clinton's Doctrine.'... All 'doctrines' in the post-World War II were born from conflicts.... They were `doctrines' of battle, of ideology. Bill Clinton has been able to demonstrate that that world does not exist anymore. He mediated the Haiti crisis humbly, using general Powell's charisma. He intervened in the civil war in the Balkans without favoring any party and accepting that the trial against the war criminals is more a desire rather than a reality. In the Middle East he succeeded, with patience and ability, in obtaining the historical handshake between Rabin and Arafat.... Now his success in Ireland, which has been obtained by using his domestic doctrine of talking and taking and talking once more.... The world is seen as a condominium to manage rather that a dominion to rule."

"Impossible Mission Accomplished"

A front-page editorial by Aldo Rizzo in centrist, influential La Stampa noted (4/11) the deal was achieved: "thanks to the strength of the United States, its global `accountability' in both political and economic terms.... This is another case in which the United States plays a decisive role in solving inter-European crises. Perhaps the European Union contributes background and offers suggestions, but the decisive moves continue to be made by the Americans, (and they are) for the good, since the EU cannot act."

RUSSIA: "Big Victory For Clinton"

Vladimir Katin filed from Luxembourg for centrist Nezavisimaya Gazeta (4/14): "Toward the end of the talks, Bill Clinton literally sat by the telephone and intervened at the very last minute, when, at Tony Blair's request, he had a conversation with one of the most intractable members of Northern Ireland's delegation. For Clinton, it is a big victory, both abroad and at home, with people of Irish descent having strong influence in America, especially in the Senate. The U.S.

president's personal envoy, George Mitchell, who conducted and mediated in that peace operation, managed to get sworn enemies to come to terms and shake hands."

BELGIUM: "Europe Let U.S. Play Role Of Mediator"

In the view of Evita Neefs in independent Catholic De Standaard (4/14), "A little bit of hope is justified.... Adams and McGuinness...seem to have understood that the old form of nationalism has caused enough ravage in Ireland. Therefore, much hope was put in (the idea of) Europe. A further integration of Europe should modify the borders and thus diminish the needs to fight for or against maintaining a dividing line between the north and the south of Ireland, so was it reasoned. But Europe failed. The dynamic of integration came to a halt, and the national states won.... Europe let the Americans play the role of peace mediator."

THE NETHERLANDS: "Clinton: Godfather Of Belfast Peace"

Influential, liberal De Volkskrant commented editorially (4/14): "Difficult issues, such as the disarmament of the IRA and reform of the Protestant Northern Irish police, have not yet been addressed.... However, the strength of the accord lies in the fact that it has brought together the different parties to the conflict, something which seemed impossible.... The accord would have never been reached without the involvement of London, Dublin and, of course, Washington. President Clinton can truly call himself the 'godfather' of the Belfast peace."

AUSTRALIA: "One Step Toward Final Settlement?"

The liberal Canberra Times' editorial (4/14) concluded, "Ultimately, this accord, with its arrangements for Protestants and Catholics to work

together in the assembly and the North-South Council, should break down suspicions. Ultimately, suspicion might be broken down to the extent that a substantial number of Protestants are at least neutral about a united Ireland, or see it as the lesser of two evils. When that day arrives, there can be a final settlement of hundreds of years of violence and suffering through the creation of a single Irish state."

PHILIPPINES: "A Win-Win Solution"

On the Northern Ireland peace talks, Beth Day Romulo, widow of longest-serving Philippine foreign minister Carlos P. Romulo, wrote in the conservative and top-circulation Manila Bulletin (4/9): "The scene changed...when British Prime Minister Tony Blair took office.... His wish for a settlement is shared in full by U.S. President Bill Clinton, himself of Irish extraction, who has bent every effort to hasten the process, supplying the able negotiator, former Senator George Mitchell; appealing to the American Irish community to quit supporting the terrorist Irish Republican Army; and receiving the leader of the IRA's political wing Sinn Fein, Gerry Adams, for talks at the White House.... Hardliners on both sides have continued random assassination.... It is a win-win solution for both Catholics and Protestants, which demands compromise from both sides."

ISRAEL: "A Source Of Hope For Peace Lovers In Mideast?"

Anti-Netanyahu Haaretz's lead editorial said (4/14): "President Clinton sees the Northern Ireland achievement as a source of hope for peace lovers

in the Middle East.... But there are numerous peace supporters in our region who draw no hope but rather deep frustration and despair from the comparison between the two conflicts.... In Israel, after the 1996 elections, there was a sense that Palestinian terrorism was providing the government with an godsend pretext to bring the peace process to a standstill. The Israeli religious establishment has in general become hostile to peace.... Furthermore, the millions of Irish-Americans who constitute a force no American president can afford to ignore, have demonstrated political sensibility and maturity....

"The Clinton administration discerned in the case of Irish community that its loyalty to the land of their ancestors does not amount to support for fundamentalism and violence."

ARGENTINA: "A Triumph For Clinton's Foreign Policy"

Elisabetta Piqu?, on special assignment in London for daily-of-record La Nacion, wrote (4/11), "The historical peace accord for Northern Ireland...will become the clearest triumph of President Clinton's foreign policy.... Clinton was the first U.S. president who attempted to put an end to the conflict in Ulster."

BRIEFS

RICHARDSON TO SOUTH ASIA: WIDE-RANGING DIALOGUE EXPECTED

PAKISTAN: "Richardson's Advice"

An editorial in the Peshawar-based independent Frontier Post declared (4/13): "Prithvi's deployment by India and test-firing of Ghauri by Pakistan seem to have permanently altered the geostrategic complexion of the region, with their fallout being felt across western capitals. The development has prompted Washington to redouble its efforts to help resolve regional irritants which have pushed things to the precipice. U.S. Ambassador to the UN Bill Richardson, who has embarked upon a tour of South Asian nations, has urged both New Delhi and Islamabad to 'go the extra mile' and resume dialogue on Kashmir and other issues.... As implied by Bill Richardson, the root cause of regional tensions is the unresolved Kashmir dispute. The international community should see to it that it is resolved in accordance with the provisions of two Security Council resolutions on the issue."

"No Glimmer Of Hope In Afghanistan"

Under the above headline, an editorial in Karachi's independent, national Dawn stressed (4/12): "The U.S. government's decision to involve itself more actively in the Afghan peace process comes as a positive development. Mr. Bill Richardson's...visit (to) Kabul and Mazar-i-Sharif...will hopefully bring some pressure on the two warring sides, namely, the Taliban and the northern alliance, to come to the negotiating table.... Given the fact that the Afghans are a trigger-happy lot and not inclined toachieve by political compromise what they feel they can seize through the barrel of the gun, it is important that the flow of arms into Afghanistan should be stopped. Only the cooperation of all the neighboring states in

disengaging militarily from Afghanistan can promote the cause of peace in that country. One hopes that all of them will see the wisdom of doing so. After all, they are suffering as much economically, politically and security-wise because of the hostilities by proxy."

INDIA: "Seeking Answers"

According to an editorial in the centrist Times of India (4/13): "A high-powered American delegation led by Bill Richardson, is visiting India at a time when the strategic contours in East and South Asia are getting more clearly delineated. On the eve of the visit, the official U.S. spokesperson admitted that Washington understands the concerns India has over China.... The assertion of Indian Defense Minister George Fernandes that China is the mother of Pakistan's Ghauri missile (is) relevant.... Pakistan's nuclear and missile capabilities are part of the problem of China's growing power and role in Asia.... The continuing U.S. unwillingness to make a determination on the transfer of M-11 missiles from China to Pakistan in 1993 does not speak well of Washington's commitment to non- proliferation.... North Korea is also suspected to be a source for Pakistani missile.... The impression is bound to gain ground that the United States is helpless in halting proliferation in Asia and, therefore, it is logical for india to have its own hreat assessment and nuclear and missile policies to ensure its security."

"Dialogue With U.S."

The pro-economic reforms Economic Times' "Global Watch" column featured

this comment by pundit K. Subrahmanyam (4/13): "The forthcoming Vajpayee-Clinton summit will be held under circumstances different from the earlier summits. The United States has to take into account the weakness of East and Southeast Asian countries following the currency turmoil and Japan's teetering on the edge of recession.... Americans are emerging out of their traditional obsession that nothing else matters in the subcontinent except the India-Pakistan equation, and that nuclear and missile issues in the sub-continent have no external dimensions.... The present visit of the U.S. team (led by Ambassador Richardson) should be utilizedd to discuss the nature of proliferation in Asia and roles of China and North Korea and their transactions with Pakistan and other countries.... It is hoped that this visit will mark a turning point in the Indo-U.S. dialogue."

BANGLADESH: "Richardson's Whirlwind Tour"

Ambassador Richardson's visit to Bangladesh received extensive coverage in the local media, with stories focusing on on his meetings with President Shahabuddin Ahmed, Prime Minister Sheikh Hasina and leader of the opposition in the parliament Khaleda Zia and his bilateral talks with Foreign Minister Abdus Samad Azad. Ambassador Richardson's speech at a local think tank attracted widespread press attention, and state-run radio and television covered the visit in detail in their prime time news bulletins.

U.S.-CHINA: 'CLINTON BETS ON SOFTLY, SOFTLY TACTICS'

CHINA: "Sino-U.S. Trade Ties Multidimensional"

Gao Wei wrote in official English-language China Daily (4/14): "A couple of top trade officials from China and the United States believe the Sino-U.S. summit in June is vital to the continued development of the bilateral relationship between the countries. Chinese Foreign Trade Minister Shi Guangsheng and U.S. Under Secretary for International Trade David Aaron expressed their views yesterday in Beijing."

HONG KONG: "Freedom In Hong Kong Still Counts"

Independent Apple Daily News (4/11) editorialized: "The Chinese government attaches much importance to Clinton's China visit because it thinks that the visit is an important diplomatic victory for Chinese President Jiang Zemin.... On the political level, Beijing views the Taiwan issue as the biggest stumbling block to Sino-U.S. relations. Beijing hopes that the United States will promise not to sell weapons to Taiwan and clearly state that it opposes the independence of Taiwan. However, it is difficult to achieve this target.... Regarding...Hong Kong...a U.S. official looking after East Asia and Hong Kong affairs claimed that...if any changes happened in Hong Kong it would certainly affect improvement of Sino-U.S. relations.... The Hong Kong issue will certainly be on the agenda for the U.S. president's China visit. Beijing may...accuse the foreign power of making gestures over the Hong Kong issue. However, the success of Hong Kong is due to the rule of law, equality and press freedom. If these cornerstones are shaken, it will not be good for Hong Kong. Besides, it would not be in conformity with China's long-term interests."

SOUTH KOREA: "Changed Status Of China, Japan"

Conservative Chosun Ilbo (4/14) commented: "Hollywood's dichotomous format of 'good cop' and 'bad cop' applies just as well to international politics. With Asia now going through a painful economic crisis, China is emerging as the good cop while Japan is portrayed as the bad one. Although international consensus is often inconsistent, China is viewed these days as a 'savior'

taking care of the future of the world economy. Meanwhile, Japan is treated like a 'rogue' threatening worldwide recession.... During the ASEM meeting in London last week, China proved to be the rising star. It pledged to keep the yuan at its current value so as to stabilize the regional economy even at the price of its own economic growth, planting an image of China as a big nation ready to sacrifice itself for the sake of the international community.... Prime Minister Zhu's personal charms, along with his honest and liberal attitude and his strong commitment to economic reform, added to the appeal of China to Westerns leaders."

BRITAIN: "Clinton Bets On Softly, Softly Tactics"

The independent Financial Times commented (4/14): "President Clinton has gambled heavily on the proposition that warmer relations with Beijing will reduce the American trade deficit and lure China off the path of mercantilism. American complaints over intellectual property violations, questionable technology transfers and textile transshipments have been

played down as the president prepares for his second summit with President Jiang Zemin in June.... Progress toward China's accession to the WTO may become a centerpiece of the summit."

ASIAN FINANCIAL CRISIS: JAPAN'S 'DEFLATIONARY SPIRAL?'; IMF POLICY

CHINA: "Japan Worries U.S."

Zhai Jingsheng wrote in State Council Economic Daily (Jingji Ribao) (4/14): "Although American economic growth is currently healthy, the United States cannot rest. If the Japanese economy, which the United States once considered its strongest economic defense line, collapses, the American economy will be greatly impacted. This explains American anxiety."

SINGAPORE: "No Basic Flaw In IMF's Approach To Asian Crisis"

Regional economics editor Vikram Khanna wrote in the pro-government Business Times (4/14): "It happened in Latin America in the 1980s and in Eastern Europe in the early 1990s. Today, it's happening in Asia: the IMF is being vilified for what it is doing to the region's economies. To be sure, the IMF has made some blunders in Asia. For example, its fiscal prescriptions for Thailand were too tight and had to be relaxed. It was wrong to back the closure of 16 banks in Indonesia in the midst of a panic. And its advocacy of monetary and fiscal tightening in Korea was probably inappropriate.... Yes, the IMF has made some mistakes in Asia--and may make still more. But the fact that a few individual prescriptions may have

been off the mark does not render defective the fund's basic approach to dealing with Asia's crisis, which is, as it should be, broad-based and far-reaching.

SOUTH KOREA: "Japan's Responsibility And Choice"

Independent Dong-A Ilbo's editorial said (4/14): "At this point there is no prospect of change in the current trend of a 'strong dollar' and a 'weak yen.' One reason is that Japan's stimulus package offers only temporary measures and the United States shows no sign of changing its foreign exchange policy. Even though the economic stimulus package Japan announced April 9 is the largest since the World War II, it nevertheless is not sufficient for an economy that needs long-term plans on tax cuts and budget expansion. The United States also agrees with this evaluation. Japan, in the U.S. view, needs to drastically ease regulation of its economy and carry out major reforms. A limited and temporary stimulus package will not do the job, says the United States.... What matters most now is how much this new package will stimulate the domestic economy and how strong U.S.-Japanese solidarity is.... We welcome the gathering of G-7 central bank governors and treasury secretaries in Washington on April 15 to discuss how to deal with the weak yen and the strong dollar. At the meeting, Japan should unveil its additional stimulus package, including a plan on additional tax cuts. Japan cannot avoid taking these measures."

VIETNAM: "Saving Others Means Saving Oneself"

Vietnamese Communist Party Nhan Dan (The People) commented (5/14): "The

financial crisis in a number of Southeast Asian nations is a matter of concern to many other parts of the world. At the recent ASEM-II, many proposals were put forth with the aim of helping the crisis-gripped countries.... As Europe sets its heart on helping Asia, Asia naturally must feel indebted. By helping Asia, however, Europe is also helping itself. And by trying to save its own skin, Asia helps save others, i.e., Europe and America. Nearly three months ago in his January 27, 1998 State of the Union Address, U.S. President Bill Clinton made a clear reference to the East Asian crisis.... The United States is concerned about the financial crisis in East Asia because it is primarily in its own interests. President Clinton is right to warn Americans that 'preparing for a far-off storm that may reach our shores is far wiser than ignoring the thunder until the clouds are just overhead.'

BRITAIN: "Can Japan Escape From A Deflationary Spiral?"

Independent Financial Times' editorial held (4/14): "Despite the more detailed plans for income tax cuts and public spending announced by Prime Minister Hashimoto last Thursday, the risk that the world's second largest economy will suffer a precipitous decline remains disturbingly high.... There will have to be another package, which will be even harder to pitch at the right confidence boosting level. In the meantime the yen seems likely to remain weak, ensuring that Japan re-exports the impact of the Asian crisis to Europe and the United States. This underlines the global implications of Japan's plight. Without a Japanese recovery the rest of Asia's problems will be harder to solve. With a Japanese deflation the risk of a protectionist backlash grows. Japan can and should expect

continuing international pressure for more radical action. This is dangerous territory indeed."

U.S. FORCES IN JAPAN: LOW-ALTITUDE FLIGHT TRAINING 'POLITICIZED'

JAPAN: "U.S. Should Disclose Information On Low-Altitude Training"

An editorial in the liberal Mainichi observed (4/14), "As a result of the Cavalese accident in Italy where 20 people died in February, low-altitude flight training by U.S. military planes in Japan has become politicized. The Japan Communist Party took up the issue at the Diet in late March...(and) the Socialist Party urged (the United States) to disclose information on its low-altitude flight training and also urged that the Japanese government to revise existing laws related to USFJ flight training. These political moves are proper and necessary. Should a major air mishap occur, such steps would be too late. Under Japan's aviation laws, airplanes are required to fly at altitudes higher than 300 meters in congested residential areas and higher than 150 meters in less-populated areas. USFJ planes are, however, exempt from these restrictions under the U.S.-Japan Status of Forces Agreement (SOFA) and a special SOFA-related aviation law.... Japanese government officials say they believe that U.S. military planes are continuing to honor Japanese aviation law, and reject calls that the U.S. military disclose information on low-altitude flight training."

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Director, (
202) 6196511

#Xn\ P6Qy&P#Tuesday, April 14, 1998

X` hp x (# NORTHERN IRELAND PEACE ACCORD:
'THE POWER OF U.S. MEDIATION'
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The foreign media dwelled on the many obstacles facing the implementation of
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ast Friday's peace agreement, but they also continued to praise the Irish,
Brit
ish and U.S. architects of the deal and to emphasize the importance of
the Clin
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Europe and in t
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latest reminder that, in conflict
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President Clinton and his envoy,
George Mitchell, were singled out repeatedly
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The press in Ireland and in Britain, in turn, highlighted the need to
campaign
in favor of the accord, persuade its opponents and secure its
endorsement in a
referendum come May. London's conservative Times reflected
how cautiously the
plan's architects are proceeding. Referring to hopes that
Mr. Clinton might v
isit both parts of Ireland before the referendum, the
paper noted that no decis
ion would be announced yet, since "if the buildup
to the ballot did start to go
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BRIEFS

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U.S.China: 'Clinton Bets On Softly, Softly Tactics'
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EDITORS: Mildred Sola Neely, Bill Richey and Kathleen J. Brahney

NORTHERN IRELAND PEACE ACCORD:
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BRITAIN: "A Risk Worth Taking: Paramilitaries"

The liberal Guardian's editorial said (4/14): "The important test is whether
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hand over arms w
ithout the appearance of surrenderis a risk. But, for the

sake of peace, it's
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"Clinton's Caution"

According to the conservative Times (4/14): "President Clinton said last night
it was important that he should not decide yet whether to visit both parts of
Ireland before the (May) referendum, as has been widely anticipated. His publi
c note of caution reflected second thoughts on both sides of the Atlantic. If
the buildup to the ballot did start to go badly, an American presidential trip
in support of the peace document could be seen as inappropriate interference an
d could be politically damaging to Mr. Clinton at home."

IRELAND: "Selling The Deal"

In the view of the topcirculation, centrist Irish Independent (4/13): "When t
he Irish and British governments and the Northern parties made their historic a
greement on Good Friday, they reached not an end, but a beginning. It was a b
eginning in the sense that they cast off the shackles of history and looked to
a new concord for the whole island. But it was also a beginning in the sense
that the agreement has no effect until the people of Ireland, North and South,
endorse it in separate referendums. And that endorsement is still uncertain.
No sooner was the pact made than it came under heavy onslaught from a variety
of opponents. Their opposition will intensify during the referendum campaigns.
It must be countered with the utmost vigor, but a vigor tempered with sensit
ivity."

GERMANY: "Proof That Peace Is Possible"

On national radio Deutschlandfunk of Cologne (4/14), Walter Heine commented:
"A great day for the Irish and a triumph for the British Prime Minister Tony Bl
air, who pushed for the agreement more than any other. There is something spec
ial about this peace agreement: It proves that supposedly insoluble problems ca
n be solved. One has to risk something, be patient, active, and

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parties to t
he conflict, something which seemed impossible.... The accord
would have never
been reached without the involvement of London, Dublin and,
of course, Washing
ton. President Clinton can truly call himself the
'godfather' of the Belfast p
eace."
X` hp x (#

AUSTRALIA: "One Step Toward Final Settlement?"

The liberal Canberra Times' editorial (4/14) concluded, "Ultimately, this
acco
rd, with its arrangements for Protestants and Catholics to work together
in the
assembly and the NorthSouth Council, should break down suspicions.
Ultimately
, suspicion might be broken down to the extent that a substantial
number of Pro
testants are at least neutral about a united Ireland, or see it
as the lesser o
f two evils. When that day arrives, there can be a final
settlement of hundred
s of years of violence and suffering through the
creation of a single Irish sta
te."

PHILIPPINES: "A WinWin Solution"

On the Northern Ireland peace talks, Beth Day Romulo, widow of
longestserving
Philippine foreign minister Carlos P. Romulo, wrote in the
conservative and top
circulation Manila Bulletin (4/9): "The scene
changed...when British Prime Min
ister Tony Blair took office.... His wish
for a settlement is shared in full b
y U.S. President Bill Clinton, himself of
Irish extraction, who has bent every
effort to hasten the process, supplying
the able negotiator, former Senator Geo
rge
Mitchell; appealing to the American Irish community to quit supporting the
terr
orist Irish Republican Army; and receiving the leader of the IRA's
political wi
ng Sinn Fein, Gerry Adams, for talks at the White House....
Hardliners on both

sides have continued random assassination.... It is a
winwin solution for bot
h Catholics and Protestants, which demands compromise
from both sides."

ISRAEL: "A Source Of Hope For Peace Lovers In Mideast?"

AntiNetanyahu Haaretz's lead editorial said (4/14): "President Clinton sees
th
e Northern Ireland achievement as a source of hope for peace lovers in the
Midd
le East.... But there are numerous peace supporters in our region who
draw no h
ope but rather deep frustration and despair from the comparison
between the two
conflicts.... In Israel, after the 1996 elections, there was
a sense that Pale
stinian terrorism was providing the government with an
godsend pretext to bring
the peace process to a standstill. The Israeli
religious establishment has in
general become hostile to peace....
Furthermore, the millions of IrishAmerica
ns who constitute a force no
American president can afford to ignore, have demo
nstrated political
sensibility and maturity....

"The Clinton administration discerned in the case of Irish community that its
l
oyalty to the land of their ancestors does not amount to support for
fundamenta
lism and violence."

ARGENTINA: "A Triumph For Clinton's Foreign Policy"

Elisabetta Piqu), on special assignment in London for dailyofrecord La
Nacion,
wrote (4/11), "The historical peace accord for Northern
Ireland...will become
the clearest triumph of President Clinton's foreign
policy.... Clinton was the
first U.S. president who attempted to put an end
to the conflict in Ulster."

BRIEFS

RICHARDSON TO SOUTH ASIA: WIDERANGING DIALOGUE EXPECTED

PAKISTAN: "Richardson's Advice"

An editorial in the Peshawarbased independent Frontier Post declared (4/13):
"Prithvi's deployment by India and testfiring of Ghauri by Pakistan seem to
hav

e permanently altered the geostrategic complexion of the region, with their fal
lout being felt across western capitals. The development has prompted Washingt
on to redouble its efforts to help resolve regional irritants which have pushed
things to the precipice. U.S. Ambassador to the UN Bill Richardson, who has e
mbarked upon a tour of South Asian nations, has urged both New Delhi and Islama
bad to 'go the extra mile' and resume dialogue on Kashmir and other issues....
As implied by Bill Richardson, the root cause of regional tensions is the unre
solved Kashmir dispute. The international community should see to it that it i
s resolved in accordance with the provisions of two Security Council resolution
s on the issue."

"No Glimmer Of Hope In Afghanistan"

Under the above headline, an editorial in Karachi's independent, national Dawn
stressed (4/12): "The U.S. government's decision to involve itself more activ
ely in the Afghan peace process comes as a positive development. Mr. Bill Rich
ardson's...visit (to) Kabul and MazariSharif...will hopefully bring some pressu
re on the two warring sides, namely, the Taliban and the northern alliance, to come to the negotiating table.... Given
the fact that the Afghans are a triggerhappy lot and not inclined to achieve by
political compromise what they feel they can seize through the barrel of the g
un, it is important that the flow of arms into Afghanistan should be stopped.
Only the cooperation of all the neighboring states in disengaging militarily fr
om Afghanistan can promote the cause of peace in that country. One hopes that
all of them will see the wisdom of doing so. After all, they are suffering as
much economically, politically and securitywise because of the hostilities by p
roxy."

INDIA: "Seeking Answers"

According to an editorial in the centrist Times of India (4/13): "A highpower
ed American delegation led by Bill Richardson, is visiting India at

a time when
the strategic contours in East and South Asia are getting more
clearly delinea
ted. On the eve of the visit, the official U.S. spokesperson
admitted that Was
hington understands the concerns India has over China....
The assertion of Ind
ian Defense Minister George Fernandes that China is the
mother of Pakistan's Gh
auri missile (is) relevant.... Pakistan's nuclear and
missile capabilities are
part of the problem of China's growing power and
role in Asia.... The continu
ing U.S. unwillingness to make a determination
on the transfer of M11 missiles
from China to Pakistan in 1993 does not
speak well of Washington's commitment t
o non proliferation.... North Korea
is also suspected to be a source for Pakis
tani missile.... The impression is
bound to gain ground that the United States
is helpless in halting
proliferation in Asia and, therefore, it is logical for
india to have its own
hreat assessment and nuclear and missile policies to ens
ure its security."

"Dialogue With U.S."

The proeconomic reforms Economic Times' "Global Watch" column featured this
co
mment by pundit K. Subrahmanyam (4/13): "The forthcoming VajpayeeClinton
summi
t will be held under circumstances different from the earlier summits.
The Uni
ted States has to take into account the weakness of East and Southeast
Asian co
untries following the currency turmoil and Japan's teetering on the
edge of rec
ession.... Americans are emerging out of their traditional
obsession that noth
ing else matters in the subcontinent except the
IndiaPakistan equation, and tha
t nuclear and missile issues in the
subcontinent have no external dimensions...
. The present visit of the U.S.
team (led by Ambassador Richardson) should be
utilizedd to discuss the nature
of proliferation in Asia and roles of China and
North Korea and their
transactions with Pakistan and other countries.... It i
s hoped that this
visit will mark a turning point in the IndoU.S. dialogue."

BANGLADESH: "Richardson's Whirlwind Tour"

Ambassador Richardson's visit to Bangladesh received extensive coverage in the
local media, with stories focusing on on his meetings with President Shahabudd
in Ahmed, Prime Minister Sheikh Hasina and leader of the opposition in the parl
iament Khaleda Zia and his bilateral talks with Foreign Minister Abdus Samad Az
ad. Ambassador Richardson's speech at a local think tank attracted widespread
press attention, and staterun radio and television covered the visit in detail
in their prime time news bulletins.

U.S.CHINA: 'CLINTON BETS ON SOFTLY, SOFTLY TACTICS'

CHINA: "SinoU.S. Trade Ties Multidimensional"

Gao Wei wrote in official Englishlanguage China Daily (4/14): "A couple of to
p trade officials from China and the United States believe the SinoU.S. summit
in June is vital to the continued development of the bilateral relationship bet
ween the countries. Chinese Foreign Trade Minister Shi Guangsheng and U.S. Und
er Secretary for International Trade David Aaron expressed their views yesterda
y in Beijing."

HONG KONG: "Freedom In Hong Kong Still Counts"

Independent Apple Daily News (4/11) editorialized: "The Chinese government at
taches much importance to Clinton's China visit because it thinks that the visi
t is an important diplomatic victory for Chinese President Jiang Zemin.... On
the political level, Beijing views the Taiwan issue as the biggest stumbling bl
ock to SinoU.S. relations. Beijing hopes that the United States will promise n
ot to sell weapons to Taiwan and clearly state that it opposes the independence
of Taiwan. However, it is difficult to achieve this target.... Regarding...H
ong Kong...a U.S. official looking after East Asia and Hong Kong affairs claime
d that...if any changes happened in Hong Kong it would certainly affect improve
ment of SinoU.S. relations....
The Hong Kong issue will certainly be on the ag

enda for the U.S. president's
China visit. Beijing may...accuse the foreign po
wer of making gestures over
the Hong Kong issue. However, the success of Hong
Kong is due to the rule of
law, equality and press freedom. If these cornersto
nes are shaken, it will
not be good for Hong Kong. Besides, it would not be in
conformity with
China's longterm interests."

SOUTH KOREA: "Changed Status Of China, Japan"

Conservative Chosun Ilbo (4/14) commented: "Hollywood's dichotomous format of

'good cop' and 'bad cop' applies just as well to international politics.
With
Asia now going through a painful economic crisis, China is emerging as
the goo
d cop while Japan is portrayed as the bad one. Although international
consensu
s is often inconsistent, China is viewed these days as a 'savior'

taking care of the future of the world economy. Meanwhile, Japan is treated
li
ke a 'rogue' threatening worldwide recession.... During the ASEM meeting
in Lo
ndon last week, China proved to be the rising star. It pledged to keep
the yua
n at its current value so as to stabilize the regional economy even at
the pric
e of its own economic growth, planting an image of China as a big
nation ready
to sacrifice itself for the sake of the international
community.... Prime Mini
ster Zhu's personal charms, along with his honest
and liberal attitude and his
strong commitment to economic reform, added to
the appeal of China to Westerns
leaders."

BRITAIN: "Clinton Bets On Softly, Softly Tactics"

The independent Financial Times commented (4/14): "President Clinton has
gamb
led heavily on the proposition that warmer relations with Beijing will
reduce t
he American trade deficit and lure China off the path of
mercantilism. America
n complaints over intellectual property violations,
questionable technology tra
nsfers and textile transshipments have been played
down as the president prepar
es for his second summit with President Jiang

Zemin in June.... Progress towar
d China's accession to the WTO may become a
centerpiece of the summit."

ASIAN FINANCIAL CRISIS: JAPAN'S 'DEFLATIONARY SPIRAL?'; IMF POLICY

CHINA: "Japan Worries U.S."

Zhai Jingsheng wrote in State Council Economic Daily (Jingji Ribao) (4/14):
"Although American economic growth is currently healthy, the United States
cann
ot rest. If the Japanese economy, which the United States once
considered its
strongest economic defense line, collapses, the American
economy will be great
ly impacted. This explains American anxiety."

SINGAPORE: "No Basic Flaw In IMF's Approach To Asian Crisis"

Regional economics editor Vikram Khanna wrote in the progovernment Business
Ti
mes (4/14): "It happened in Latin America in the 1980s and in Eastern
Europe i
n the early 1990s. Today, it's happening in Asia: the IMF is being
vilified fo
r what it is doing to the region's economies. To be sure, the IMF
has made som
e blunders in Asia. For example, its fiscal prescriptions for
Thailand were to
o tight and had to be relaxed. It was wrong to back the
closure of 16 banks in
Indonesia in the midst of a panic. And its advocacy
of monetary and fiscal ti
ghtening in Korea was probably inappropriate....
Yes, the IMF has made some mi
stakes in Asiaand may make still more. But
the fact that a few individual pres
criptions may have been off the mark does
not render defective the fund's basic
approach to dealing with Asia's crisis,
which is, as it should be, broadbased
and farreaching.

SOUTH KOREA: "Japan's Responsibility And Choice"

Independent DongA Ilbo's editorial said (4/14): "At this point there is no
pr
ospect of change in the current trend of a 'strong dollar' and a 'weak
yen.' O
ne reason is that Japan's stimulus package offers only temporary
measures and t
he United States shows no sign of changing its foreign exchange
policy. Even t
hough the economic stimulus package Japan announced April 9 is

the largest sinc
e the World War II, it nevertheless is not sufficient for an
economy that needs
longterm plans on tax cuts and budget expansion. The
United States also agree
s with this evaluation. Japan, in the U.S. view,
needs to drastically ease reg
ulation of its economy and carry out major
reforms. A limited and temporary st
imulus package will not do the job, says
the United States.... What matters m
ost now is how much this new package
will stimulate the domestic economy and ho
w strong U.S.Japanese solidarity
is.... We welcome the gathering of G7 central
bank governors and treasury
secretaries in Washington on April 15 to discuss h
ow to deal with the weak
yen and the strong dollar. At the meeting, Japan shou
ld unveil its
additional stimulus package, including a plan on additional tax c
uts. Japan
cannot avoid taking these measures."

VIETNAM: "Saving Others Means Saving Oneself"

Vietnamese Communist Party Nhan Dan (The People) commented (5/14): "The
finan
cial crisis in a number of Southeast Asian nations is a matter of
concern to ma
ny other parts of the world. At the recent ASEMII, many
proposals were put for
th with the aim of helping the crisisgripped
countries.... As Europe sets it
s heart on helping Asia, Asia naturally
must feel indebted. By helping Asia, h
owever, Europe is also helping itself.
And by trying to save its own skin, Asi
a helps save others, i.e., Europe and
America. Nearly three months ago in his
January 27, 1998 State of the Union
Address, U.S. President Bill Clinton made a
clear reference to the East Asian
crisis.... The United States is concerned
about the financial crisis in
East Asia because it is
primarily in its own interests. President Clinton is right to warn Americans
t
hat 'preparing for a faroff storm that may reach our shores is far wiser
than i
gnoring the thunder until the clouds are just overhead.'

BRITAIN: "Can Japan Escape From A Deflationary Spiral?"

Independent Financial Times' editorial held (4/14): "Despite the more detaile
d plans for income tax cuts and public spending announced by Prime Minister Has
himoto last Thursday, the risk that the world's second largest economy will suf
fer a precipitous decline remains disturbingly high.... There will have to be
another package, which will be even harder to pitch at the right confidence boo
sting level. In the meantime the yen seems likely to remain weak, ensuring tha
t Japan reexports the impact of the Asian crisis to Europe and the United State
s. This underlines the global implications of Japan's plight. Without a Japan
ese recovery the rest of Asia's problems will be harder to solve. With a Japan
ese deflation the risk of a protectionist backlash grows. Japan can and should
expect continuing international pressure for more radical action. This is dan
gerous territory indeed."

U.S. FORCES IN JAPAN: LOWALTITUDE FLIGHT TRAINING 'POLITICIZED'

JAPAN: "U.S. Should Disclose Information On LowAltitude Training"

An editorial in the liberal Mainichi observed (4/14), "As a result of the Cava
lese accident in Italy where 20 people died in February, lowaltitude flight tra
ining by U.S. military planes in Japan has become politicized. The Japan Commu
nist Party took up the issue at the Diet in late March...(and) the Socialist Pa
rty urged (the United States) to disclose information on its lowaltitude flight
training and also urged that the Japanese government to revise existing laws
related to USFJ flight training. These political moves are proper and necessar
y. Should a major air mishap occur, such steps would be too late. Under Japan
's aviation laws, airplanes are required to fly at altitudes higher than 300 me
ters in congested residential areas and higher than 150 meters in lesspopulated
areas. USFJ planes are, however, exempt from these restrictions under the U.S
.Japan Status of Forces Agreement (SOFA) and a special SOFArelated aviation law
.... Japanese government officials say they believe that U.S. military planes

are continuing to honor
Japanese aviation law, and reject calls that the U.S. m
ilitary disclose
information on lowaltitude flight training."

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TEXT:
Analysts overseas largely agreed that the goal of a hemisphere-wide free-trade zone, the Free Trade Area of the Americas (FTAA), was still a worthwhile pursuit for President Clinton this weekend at the second Summit of the Americas, despite congressional refusal to grant him fast track authority for these negotiations. In Chile and Argentina, writers emphasized the importance of the Clinton visit to Santiago, stressing that the U.S. administration is perceived as "indebted" to Chile for its non-fulfillment of the promise to make it the fourth member of NAFTA. Santiago's afternoon La Hora held, "If Clinton is interested in promoting business with this country, he must also be ready to give clearer signs that Chile may widen the trade basis (already) in place with the U.S."

G-7, IMF, G-22: JAPAN'S RECOVERY AND REFORM OF WORLD FINANCE

Foreign media comment on the G-7, IMF and G-22 meetings this week in Washington focused on calls for economic recovery in Japan and the reform of world finance. Noting that "G-7 meetings do not usually center on the Japanese economy," Japanese papers saw "frustration" among Tokyo's "irritated" G-7 partners and urged their government to "recognize the gravity of Japan's responsibility within the world economy." Chinese and British pundits saw a "lack of thoroughness" in Japanese reforms so far and judged: "The G-7 communique...betrayed an obvious lack of confidence in Mr.

Hashimoto and Japan." Commenting on Treasury Secretary Rubin's speech to the G-22 on reforming the "architecture" of international finance, an Italian pundit wrote: "Everybody realizes...the urgent need to achieve a conclusion.... Another crisis...may put the international economy on its knees."

DEATH OF POL POT: 'BUTCHER OF CAMBODIA' 'CHEATS THE HANGMAN'

The confirmed death of Khmer Rouge dictator Pol Pot in northern Cambodia Wednesday night set off a flurry of editorials in Asia and Europe. All writers emphasized the horrendous nature and scale of the crimes committed under the Pol Pot regime in the 1970s, peppering their commentary with references to the Khmer Rouge leader as a "butcher" who had overseen "one of the most cannibalistic regimes in human history." "Almost all Cambodians wish (Pol Pot) had never been born," intoned the top-circulation, moderate conservative Bangkok Post. A number of editorialists pointed out that, although Pol Pot had "cheated the hangman," Cambodia would only achieve "reconciliation" if his "partners in crime" are brought to trial in an international court. In Germany and Italy, observers voiced suspicion about the timing of Pol Pot's death, shortly after the airing of a U.S. initiative to arrest Pol Pot and place him on trial for crimes against humanity. Left-of-center Frankfurter Rundschau held that dredging up Cambodia's past might prove embarrassing to the U.S. and to other leading powers.

BRIEF

-- Russia: 'No' To Kiriyenko, Maybe 'Yes' On Caspian Sea

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

SUMMIT OF THE AMERICAS: 'CLINTON SHOULD PUSH FOR FTAA'

CHILE: "Businessmen Critical Of Clinton"

President Clinton's remarks at the Municipal Theater prompted this piece in conservative, mass-appeal Las Ultimas Noticias (4/17): "The Chilean business community...was aggressive and critical of Clinton during this visit.... The president of the Trade and Manufacturer's Confederation, Walter Riesco, (read a speech in which he) specifically criticized U.S. protectionism and the 'yet unresolved cases in our bilateral relationship, such as the regrettable episode of the so-called poisoned grapes.' Riesco denounced the existence of 'an important network of direct and indirect U.S. subsidies to its agriculture.'"

"Clinton Must Give Chile Clearer Signs"

Afternoon La Hora's editorial said (4/16), "Although relations between both countries are close, there has been no lack of difficulties. (Besides) the grapes (case) there have also been denunciations of alleged dumping, and the promises of a free trade agreement continue to be just that: promises. The atmosphere then is not quite favorable although the fact that the head of the world's most powerful nation has agreed to come to (Chile) on a state visit shows the effort that the American administration still does to demonstrate that Chile is on its agenda.

"A visit of such magnitude is not a lesser fact. Probably there will be no resounding agreements with an immediate effect on the life of Chileans. But if Clinton is interested in promoting business with this country, he must also be ready to give clearer signs that Chile may widen the trade basis (already) in place with the United States."

ARGENTINA: "Clinton: Debt To Chile?"

Jorge El?as, Washington-based correspondent on special assignment in Santiago de Chile for daily-of-record La Nacion, filed (4/17) "Growth and equity were the subjects Clinton talked about yesterday with his Chilean counterpart, Eduardo Frei, on the first day of his official visit (to Chile) as a prelude to the Summit of the Americas.... Yesterday, however, in his dialogue with Frei, Clinton could not avoid giving explanations for the non-fulfilled promise of Chile's incorporation in NAFTA and, by the way, (Clinton) offered Frei that Santiago purchases U.S. combat aircraft...instead of requesting price quotations in Europe....

"In the eyes of his hosts, Clinton's presence bears more value than price. The value comes from the implied acknowledgment that Chile inaugurated the structural reforms which then...speeded up the economic liberalization in the whole region except for Cuba. The price is a debt in favor of (Chile) due to its delayed and still not effective incorporation into NAFTA.... Clinton, in fact, comes with the disadvantage that the U.S. Congress...denied him the fast-track authority and that is the reason why he can neither fulfill the promise he made to Chile nor advance with the alliance from Alaska to Ushuaia drafted by George Bush for 2005.... In the

agreement signed yesterday, Clinton and Frei supported the four subjects which will be the main points of the summit: education; preserving and strengthening democracy and human rights; economic integration and free trade; and uprooting of poverty and discrimination."

BRAZIL: "Lack Of Support For Hemispheric Integration"

Independent Jornal da Tarde's economic columnist commented (4/16), "No one can in principle opposes the economic, political and social integration in the hemisphere, [But] it has become increasingly evident that this integration is not supported by at least two of the main institutions from governments which have so far taken the decisions. The U.S. Congress has systematically refused fast track because both the unions and politicians understand that the FTAA is a real threat to jobs and wages. Mercosul, the major bloc that is facing U.S.

negotiators, also fears the FTAA impact on its market. It understands that these free-trade accords run the risk of creating a neo-colonialist situation that will give the bloc's internal market as a whole to U.S. products....

"The FTAA negotiators sometimes forget the purpose of integration--that it makes it possible to reduce costs and to increase competitiveness. If by any reason the integration of the Americas is not possible, the bloc's economy, especially Mercosul, will have to face the consequences of an increasingly deeper integration of other blocs. If Brazil and Mercosul do not take advantage of this period of Asian retraction to acquire

competitiveness, they will face an even tougher competition than they have had so far."

JAMAICA: "Summit's Significance"

President of the Inter-American Dialogue Peter Hakim's conclusions ran in the influential, moderate Daily Gleaner (4/16): "Agreement will be reached on new multilateral arrangements to evaluate the anti-narcotics performance of every country...it should begin a shift in emphasis toward regional approaches.... To make this work, the governments will have to get beyond rhetorical commitment, and set in place means to monitor and report results. The Santiago Summit's main accomplishment will be to accelerate progress toward hemispheric free trade and economic integration, the necessary cornerstones for effective U.S.-Latin American cooperation. The summit is also significant...just because it's taking place.... There will be no great surprises or breakthroughs, and some particularly difficult problems, like the question of Cuba and the deteriorating situation of Colombia, will not be on the agenda. But the summit will demonstrate again that the countries of the Americas face some shared challenges and they are learning to work together to address them."

CANADA: 'Hemispheric Cooperation Will Flourish"

The leading Globe and Mail (4/15) said in an editorial, "Without fast-track, and dogged by disputes over standards that have no place in trade agreements, the official launch of the FTAA negotiations in Santiago will be inauspicious.... Hemispheric cooperation will flourish, with or

without the laggards in Washington."

"Chretien Should Clarify Aims On Hemispheric Trade"

The liberal Toronto Star (4/16) observed, "Clinton was rebuffed by Congress when he sought the authority to negotiate new trade agreements on America's behalf. Not only did this scuttle the administration's effort to bring Chile into the 1994 Canada-U.S.-Mexico free trade agreement. It cast doubt on the whole idea of a hemispheric free trade.... With Clinton no longer in a position to lead the hemispheric free trade drive, Chretien must decide whether to step into the leadership role."

BRITAIN: "Red-Faced In Santiago"

The independent Financial Times held in its lead editorial under the headline above (4/17): "President Clinton's desire for warmer relations with the Americas is praiseworthy, and reciprocated.... Alas, he now finds himself returning to the summit table empty handed. The collapse of his attempt last year to win congressional approval for a renewal of fast track negotiations has left the FTAA in limbo. The fast track failure is a symptom of creeping paralysis in U.S. trade policy. The administration does not seem able to make the case for free trade convincingly enough to persuade Congress. That is a worry for the world, especially as the American trade deficit mounts. But the fact that the FTAA is going nowhere is not in itse lf a problem.

"The best route to trade liberalization...lies through the global

negotiating process that produced

the GATT and the WTO. If the fast track flop were to indicate a weakening of the American commitment to this approach, that would be a cause for concern. But--despite occasional alarms--there is no real evidence of this. The global route remains at the heart of U.S. policy, and the surest route to continued progress on free trade."

FRANCE: "Clinton Wants New Start To Pan-American Free Trade"

Daniel Bastien stressed in right-of-center Les Echos (4/17-18): "The time is appropriate to launch the trade integration machine, since Latin America, like North America, constitutes a zone of growth, capable of withstanding the Asian crisis.... Despite a favorable wind, Bill Clinton will have to make great efforts to warm up economic relations with Washington's former 'backyard.'"

BELGIUM: "Clinton Should Push For FTAA"

According to conservative Catholic La Libre Belgique (4/17), "Considerably weakened in his maneuvering room, the U.S. president should nevertheless discuss with his partners once again the creation by 2005 of a continental free trade area extending from Alaska to Tierra del Fuego."

G-7, IMF, G-22: JAPAN'S RECOVERY AND REFORM OF WORLD FINANCE

JAPAN: "Japan's International Pledge To Revive Economy"

Top-circulation, moderate Yomiuri's editorial said (4/17): "'The government, ruling and opposition political parties and business leaders should not reject foreign calls (for Japan's effective economic measures) as interference into Japan's internal affairs. Instead, they should recognize the gravity of Japan's responsibility within the world economy. The nation must do whatever it can to pull the ailing economy out of the long slump through prompt implementation of a truly effective stimulus package, and thus restore confidence in the economy at home and abroad. The United States and other G-7 nations also bear a responsibility to support Japan in its efforts to revive its economy."

"Japan Must Implement Permanent Tax Cuts"

An editorial in business-oriented Nihon Keizai observed (4/17), "G-7 meetings do not usually center on the Japanese economy. A statement, issued at the end of the meeting, expressed grave concern over the seriousness of problems facing Japan. The statement reflected a sense of frustration the U.S. and European countries have felt toward Japan, which has neglected for too long the stimulation of its ailing economy."

"G-7 Frustration Keeps Growing Over Japan"

Liberal Asahi commented editorially (4/17), "The G-7 meeting ended with a sense of frustration among other member countries. It appears that Finance Minister Matsunaga mistakenly jumped to the conclusion that the United States and other G-7 countries understood Japan's latest economic package.... From now on, Japan should adopt the common view of other G-7

nations that Japan's economic slump must be understood in the context of the Asian (economic) crisis. Japan's economic recovery is indispensable to an Asian economic recovery. As long as the Japanese economy remains sluggish, both the Asian and world economies will also remain in the doldrums. Now, both the international community and markets are irritated by Japan's lack of understanding of the 'feeling of crisis' held by other G-7 nations."

CHINA: "Western Powers Impose Pressure; Japan Pledges Reforms"

The official Beijing Daily (Beijing Ribao) (4/17) commented: "Economic reform will deprive Japan of many economic opportunities. Although Japan wants to reform, it is reluctant to provide the monetary investment for reform.... If Japan remains indecisive in its reform policies, its economy will hardly recover, nor will the U.S. and European countries lessen their pressure on Japan."

"Legislation Promotes Financial Reforms"

Xu Yanli and Guo Yajie wrote in State Council Economic Daily (Jingji Ribao) (4/17): "The twists and turns of the current Japanese financial reform reveal a lack of thoroughness. On the other hand, however, Japan cannot backtrack once it opens up its financial markets. We still cannot predict the future effects of these reforms."

AUSTRALIA: "Reform Of World Finance"

In an editorial, the business-oriented Australian Financial Review (4/17) noted: "Rather than being broken, let's not forget that global financial capitalism is mostly working.... This does not mean that the architecture does not need freshening up along the lines to be considered by theG-22.... And it may even include exploring how creditors themselves take more of a haircut when their optimistic lending turns sour--instead of being bailed out by the IMF. Again, giving crewcuts to foreign creditors sounds the right lender-beware thing to do. But taking this too far--as do the anti-IMF Republicans in Washington--could end up making it harder for crisis-hit debtor countries to access the capital they need to recover."

MALAYSIA: "Curbing Global Hedge Funds"

The government-influenced Business Times offered this editorial (4/17): "Never mind that it took the International Monetary Fund ages to discover the truth; its admission this week that there is a need to curtail the activities of powerful hedge funds is significant. Malaysia has been one of the first and loudest to call for a long-term solution to the financial turmoil that hit the region last July.... What is needed is a global effort led by the relevant world authorities. The IMF and the World Bank fit the billing but they will need not only the support but also the guidance of governments in Southeast Asia. Input from countries like Malaysia are important not only because they are directly affected by the turmoil but because they had quickly grasped the cause of the turmoil. In this context, ASEAN has a potentially major role to assume.... It is

crucial that ASEAN remains united in facing the currency issue and the efforts in dealing with the changing financial structure of the international system. ASEAN and the developing countries must now take the lead in dealing with the issue and be wary of some who may want to hijack the matter and manipulate it to their own vested interests."

THAILAND: "China, Japan: Who's Asia's Savior?

Writing in the independent English-language Nation (4/17), Sutichai Yoon commented: "So who's the more resilient, China or Japan? In other words, who can we rely on to pluck us out of this mess--the world's second-richest country or the world's most populous nation? Are we witnessing a real competition for eventual economic dominance in Asia? Is China taking over from Japan as the economic leader underscoring the beginning of a fundamental shift in the midst of the Asian meltdown? The answers, unfortunately, are far from encouraging. The prognosis is equally gloomy for the two Asian giants. China and Japan need not be engaged in a race towards regional dominance in the economic field. But the two could in fact complement each other and any attempt by either side to outrank the other will be taken as a sign of immaturity. Reform is the key word and both Japan and China must demonstrate their commitments in the form of pragmatic economic rejuvenation agenda in order to lay down the

foundation for Asia's economic recovery. In the end, the two giants cannot pursue their own economic policies without taking into consideration Asia's long-term political, economic and social stability."

GERMANY: "A Promise"

Centrist Stuttgarter Zeitung (4/17) had this to say: "The exhortations fell on receptive ears. The financial experts had called for reforms to liberalize the European labor markets. These points were also put in the final communique written by the finance ministers and central bank directors of the G-7. Germany, France, and Italy belong to the G-7 and thus they direct these points towards themselves. But those communiques usually do not have much to do with the policies carried out by the national governments."

BRITAIN: "Washington Outlook Bright Beyond Tokyo Stormclouds"

The conservative Times had this by economics editor Anatole Kaletsky (4/17): "The main conclusion to emerge from the Washington meetings of the IMF and the G-7 was predictable, but nonetheless important. The Asian crisis, which was mainly responsible for the sudden disappearance of hawks in the central banks, has turned out to be more damaging than expected for the countries directly involved, but it has been little more than a pinprick for the advanced economies of America and Europe.... Perhaps the most powerful message to come out of the Washington meetings was the indecision and lack of leadership in the Japanese government's approach to its economic problems. It was hardly surprising that the G-7 communique, which seemed justifiably optimistic about every other feature of the global economic picture, betrayed an obvious lack of confidence in Mr. Hashimoto and Japan."

ITALY: "G-7 Leaders: 'Careful, Another Crisis Will Destroy Us'"

Arturo Zampaglione wrote from New York for left-leaning, influential La Repubblica (4/17): "Treasury ministers and central bank governors yesterday dealt in Washington with the 'architecture' of international finance.... Invited by U.S. Treasury Secretary Rubin...representatives of the G-22...listened to the U.S. proposals. First, more transparency for the economic data supplied by all countries.... Second, the establishment of more rigid criteria for banking institutions all over the world.... Third, making private investors co-responsible.... Of course, it will take time before all these ideas develop into political decisions, but everybody realizes...the urgent need to achieve a conclusion. Everybody is convinced of the risk that another crisis, perhaps even more serious than the Asian crisis, may put the international economy on its knees."

RUSSIA: "Japan Left To Its Own Devices"

Dmitry Zharnikov wrote in reformist Noviye Izvestia (4/17): "Weak Japan is a big headache for the West which is doing everything to protect itself from cheap Japanese exports and global financial cataclysms. In Washington, the Japanese were told bluntly that they could only rely on themselves.... Russia held no part in denying 'brotherly capitalist aid' to Japan. Moscow was not invited. Commenting on that, the chairman of the Russian Central Bank, Sergei Dubinin, aptly remarked that Russia's political weight still exceeds her economic potential."

DEATH OF POL POT: 'BUTCHER OF CAMBODIA' 'CHEATS THE HANGMAN'

THAILAND: "Cheating The Hangman"

The moderately conservative, top-circulation Bangkok Post opined (4/17): "The death of the former leader of Cambodia has cheated the hangman. Pol Pot was one of the worst tyrants in the history of the world.... The death of a dictator is never a bad thing. Those who feel somehow cheated at the manner of Pol Pot's death must realize that, nevertheless, he has gone off to his reward or karma. It is somewhat selfish to wish he had lived longer so that a judge could decide the manner of his death. Almost all Cambodians wish he never had been born."

INDONESIA: "Death Of A Dictator"

In the view of the leading, independent Jakarta Post (4/17): "Assuming that the reports are true, there is hardly any sane human being on earth who feels sorry. His death is by no means the closing chapter of Cambodia's reign of terror, however, as there are many other former Khmer Rouge figures who reportedly hold official posts in Phnom Penh at present.

What is more important is to see that true justice is given to the Cambodian people, particularly to those whose parents, offspring and relatives died in the bloody years of the Khmer Rouge regime. Besides, even if Pol Pot had lived long enough to be tried, the trial would not have brought the dead back to life."

SOUTH KOREA: "World Infuriated Over Pol Pot's Death"

Independent Dong-A Ilbo saw Pol Pot's death this way (4/17): "The world is angry and disappointed, since it can no longer put Pol Pot on trial for crimes against humanity. As the U.S. initiative was gaining support to arrest and put him before an international tribunal, the world thought that it would be able to reveal the truth about one of the worst slaughters this century ever saw. The truth about the killing fields' may have to be buried for good with the death of the mastermind of the slaughter."

"Pol Pot's Death: The End of Bloodshed"

Pro-business Joong-Ang Ilbo had this assessment (4/17): "The death of Pol Pot...implies that the 'era of blood' has ended in a country that has seen endless strife. With his death, the Khmer Rouge, that poses the greatest obstacle to peace in Cambodia, suddenly finds itself on the verge of collapse."

AUSTRALIA: "Pol Pot's Legacy Of Tyranny And Terror"

The liberal Melbourne Age maintained (4/17): "Even in death, Pol Pot has

cheated justice.... There will be speculation, too, about the fact that his death--reportedly caused by a heart attack--happened only a week after President Bill Clinton ordered U.S. officials to seek his arrest and removal for trial abroad.... The enormities of Pol Pot's regime compare with the worst excesses perpetrated under Hitler and Stalin. Like them, he will not be mourned, and, like them, he will not be forgotten."

"Pol Pot"

The liberal Sydney Morning Herald commented (4/17): "It is now clear that both Pol Pot and his partners in crime were primarily concerned last year to mount a charade which would, if only temporarily, deflect moves to call them all to account. Now there should be no hesitation. The Cambodian authorities, however fractious they might be, should be persuaded by the international community to accept an international war crimes tribunal. That, not the mere

passing of Pol Pot, will best enable all Cambodians to become reconciled and to face the future."

GERMANY: "Guilt Without Atonement"

Readers of left-of-center Frankfurter Rundschau saw this editoral (4/17): "One of the biggest criminals of our century peacefully passed away. Pol Pot never had to fear being put before a Cambodian or international court. He and the other leaders of the Khmer Rouge were never punished for their crimes.... One of the biggest crimes of our century would not have been

possible without the complicity of the leading powers. Initially, China and the Soviet Union protected Pol Pot's regime. After the invasion by the Vietnamese, the United States helped those deprived of power get international recognition. Under the name of Democratic Republic of Kampuchea, Pol Pot's representatives were admitted in the UN.... Those responsible for the genocide regret nothing; the only thing they learned was how to pull their neck out of the noose. That is why it is important to create an international criminal court whose prosecutors can independenty arrest criminals."

BRITAIN: "Cheating Life"

The conservative Times' editorial said (4/17): "During his lifetime, Pol Pot cheated more than a million Cambodians of their lives; now, as reports of his death are confirmed, he has cheated the nation he terrorised of the chance to call to account one of the most monstrous instigators of mass killing and systematic torture.... Pol Pot has cheated the world; his henchmen must still be identified and brought to account."

"A Death In Cambodia"

According to an editorial in the liberal Guardian (4/17): "If his death serves any purpose, it is to deal a death blow to the movement which supported him, and to prompt us to probe more deeply into the complex sources of evil."

FRANCE: "Pol Pot: The Missed Trial"

Charles Lambroschini exclaimed in right-of-center Le Figaro (4/17): "Too bad Pol Pot died in his sleep! He should have been brought to another Nuremberg tribunal. He should have been shot in front of television from all over the world. Without that act of justice, the ghosts of two million men, women and children whom this executioner massacred between 1975 and 1978 will endlessly haunt the 'killing fields' in Cambodia."

ITALY: "Who Gains From Pol Pot's Death?"

Nicol degli Innocenti asked in leading business Il Sole-24 Ore (4/17): "Who gains from Pol Pot's death? Hun Sen, the Phnom Penh leader, certainly loses: Always a supporter of Vietnam and a major enemy of the Khmer Rouge, he was hoping to hand his long-time enemy over to an international tribunal and thus obtain the international legitimacy he had lost in last July's coup. Instead, the former collaborators of Pol Pot, now his opponents. are the winners. In the wake of the recent order by the United States to arrest and try Pol Pot...the timeliness of Pol Pot's heart atack is suspicious, to say the least. We cannot rule out that Khmer Rouge leaders had decided to kill the sick old leader, who had become a burden and a risk. An international trial would have brought to light their own crimes as well."

RUSSIA: "One Fewer Butcher"

Vladimir Abarinov, commenting on Pol Pot's reported death, reminded the readers of reformist Russkiy Telegraf (4/17): "The Red Khmers were one of

the most cannibalistic regimes in

human history. Last but not least, Pol Pot was a Communist with a 50-year service to the party behind him."

SPAIN: "Pol Pot Dead At Last"

Independent El Mundo lamented (4/17): "The worst part about the death of Pol Pot...is that it prevents him from being tried for crimes against humanity...but history has already issued its judgment--and it will not absolve him.... So deep were the wounds inflicted during his reign of terror that Cambodian society still bleeds...[and] those Cambodians who survived the terror of the killing fields realize that the enormous massacre that took place was not the work of one man alone. To cite just one example, the current prime minister, Hun Sen, was one of Pol Pot's high military officials during the height of the genocide between 1975 and 1979. So long as Cambodia does not clarify what happened during the bloodbath that did away with 25 percent of its population and bring to justice those responsible, it will be unable to face the future without rancor."

BRIEF

RUSSIA: 'NO' TO KIRIYENKO, MAYBE 'YES' ON CASPIAN SEA

RUSSIA: "Duma Rejects Kiriyenko Again"

Radio Echo of Moscow (4/17) reported that "The Duma has turned down Sergei

Kiriyenko in a second vote today with an even larger margin than a week ago. Commenting on that, Kiriyenko said the Duma politics did not bother him."

"Duma: Last No Before Yes"

With the Duma to hold a second vote on Kiriyenko today, reformist Russkiy Telegraf (4/17) predicted in this piece by Svetlana Lolayeva: "Today does not look like Kiriyenko's day. The Communists, feeling they have to use every opportunity to save face, are likely to say no. But that is going to be a forced prelude to the Duma's yes-vote next Friday. Holding Yeltsin fully responsible for nominating a young and inexperienced man, the Communists will approve him to maintain stability in society, referring to the familiar 'with this president, we can't leave the country on its own.'"

"Consensus Looms Over Caspian Sea"

Nikolai Ivanov commented in reformist Segodnya (4/17): "While Russia and Kazakhstan are preparing to sign an agreement to divide the Caspian seabed, a general convention on the status of the sea is not yet to be. Whether the two countries' example will inspire other participants in the upcoming CIS summit depends not only on political declarations but the substance ofthe above-said agreement."

"Baku, Washington See Eye To Eye"

Andrei Ivanov said in reformist Russkiy Telegraf (4/17): "Azerbaijan and the United States fully agree that Turkmenistan oil must bypass Russia.

The only argument left Moscow is that an underwater pipe-line is an ecological risk, the seismic situation in that area being what it is. How true that is, is anybody's guess. In any case, those considerations don't seem to bother the other littoral countries."

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#Xn\ P6Qy&P#Friday, April 17, 1998

X` hp x SUMMIT OF THE AMERICAS: 'CLINTON SHOULD PUSH FOR FTAA'
X` hp x
Analysts overseas largely agreed that the goal of a hemispherewide freetrade z
one, the Free Trade Area of the Americas (FTAA), was still a worthwhile pursuit
for President Clinton this weekend at the second Summit of the Americas, despi
te congressional refusal to grant him fast track authority for these negotiatio
ns. In Chile and Argentina, writers emphasized the importance of the Clinton v
isit to Santiago, stressing that

the U.S. administration is perceived as "indeb
ted" to Chile for its
nonfulfillment of the promise to make it the fourth membe
r of NAFTA.
Santiago's afternoon La Hora held, "If Clinton is interested in pr
omoting
business with this country, he must also be ready to give clearer signs

that Chile may widen the trade basis (already) in place with the U.S."
X` hp x
X` hp x G7, IMF, G22: JAPAN'S RECOVERY AND REFORM OF WORLD FINANCE

Foreign media comment on the G7, IMF and G22 meetings this week in
Washington
focused on calls for economic recovery in Japan and the reform
of world finance
. Noting that "G7 meetings do not usually center on the
Japanese economy," Ja
panese papers saw "frustration" among Tokyo's
"irritated" G7 partners and urged
their government to "recognize the
gravity of Japan's responsibility within th
e world economy." Chinese and
British pundits saw a "lack of thoroughness" in
Japanese reforms so far and
judged: "The G7 communique...betrayed an obvious la
ck of confidence in Mr.
Hashimoto and Japan." Commenting on Treasury Secretary
Rubin's speech to
the G22 on reforming the "architecture" of international fin
ance, an
Italian pundit wrote: "Everybody realizes...the urgent need to achiev
e a
conclusion.... Another crisis...may put the international economy on its
k
nees."

DEATH OF POL POT: 'BUTCHER OF CAMBODIA' 'CHEATS THE HANGMAN'

The confirmed death of Khmer Rouge dictator Pol Pot in northern Cambodia
Wedne
sday night set off a flurry of editorials in Asia and Europe. All
writers emph
asized the horrendous nature and scale of the crimes committed
under the Pol Po
t regime in the 1970s, peppering their commentary with
references to the Khmer
Rouge leader as a "butcher" who had overseen "one
of the most cannibalistic reg
imes in human history." "Almost all
Cambodians wish (Pol Pot) had never been
born," intoned the
topcirculation, moderate conservative Bangkok Post. A numbe
r of

editorialists pointed out that, although Pol Pot had "cheated the hangman,
"
Cambodia would only achieve "reconciliation" if his "partners in crime" are
b
rought to trial in an international court. In Germany and Italy,
observers voi
ced suspicion about the timing of Pol Pot's death, shortly
after the airing of
a U.S. initiative to arrest Pol Pot and place him on
trial for crimes against h
umanity. Leftofcenter Frankfurter Rundschau
held that dredging up Cambodia's p
ast might prove embarrassing to the U.S.
and to other leading powers.

BRIEF

Russia: 'No' To Kiriyenko, Maybe 'Yes' On Caspian Sea

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

SUMMIT OF THE AMERICAS: 'CLINTON SHOULD PUSH FOR FTAA'

CHILE: "Businessmen Critical Of Clinton"

President Clinton's remarks at the Municipal Theater prompted this piece in
co
nservative, massappeal Las Ultimas Noticias (4/17): "The Chilean
business commu
nity...was aggressive and critical of Clinton during this
visit.... The presid
ent of the Trade and Manufacturer's Confederation,
Walter Riesco, (read a speec
h in which he) specifically criticized U.S.
protectionism and the 'yet unresolv
ed cases in our bilateral relationship,
such as the regrettable episode of the
socalled poisoned grapes.' Riesco
denounced the existence of 'an important net
work of direct and indirect
U.S. subsidies to its agriculture.'"

"Clinton Must Give Chile Clearer Signs"

Afternoon La Hora's editorial said (4/16), "Although relations between both
co
untries are close, there has been no lack of difficulties. (Besides) the
grape
s (case) there have also been denunciations of alleged dumping, and
the promis
es of a free trade agreement continue to be just that: promises.
The atmospher
e then is not quite favorable although the fact that the head
of the world's m
ost powerful nation has agreed to come to (Chile) on a
state visit shows the ef

fort that the American administration still does to
demonstrate that Chile is o
n its agenda.

"A visit of such magnitude is not a lesser fact. Probably there will be no
res
ounding agreements with an immediate effect on the life of Chileans.
But if Cl
inton is interested in promoting business with this country, he
must also be re
ady to give clearer signs that Chile may widen the trade
basis (already) in pla
ce with the United States."

ARGENTINA: "Clinton: Debt To Chile?"

Jorge El1as, Washingtonbased correspondent on special assignment in
Santiago d
e Chile for dailyofrecord La Nacion, filed (4/17) "Growth and
equity were the s
ubjects Clinton talked about yesterday with his Chilean
counterpart, Eduardo Fr
ei, on the first day of his official visit (to
Chile) as a prelude to the Summi
t of the Americas.... Yesterday, however,
in his dialogue with Frei, Clinton c
ould not avoid giving explanations for
the nonfulfilled promise of Chile's inco
rporation in NAFTA and, by the
way, (Clinton) offered Frei that Santiago purcha
ses U.S. combat
aircraft...instead of requesting price quotations in Europe....

"In the eyes of his hosts, Clinton's presence bears more value than price.
The
value comes from the implied acknowledgment that Chile inaugurated the
structur
al reforms which then...speeded up the economic liberalization in
the whole reg
ion except for Cuba. The price is a debt in favor of (Chile)
due to its delayed
and still not effective incorporation into NAFTA....
Clinton, in fact, comes
with the disadvantage that the U.S.
Congress...denied him the fasttrack authori
ty and that is the reason why
he can neither fulfill the promise he made to Chi
le nor advance with the
alliance from Alaska to Ushuaia drafted by George Bush
for 2005.... In the
agreement signed yesterday, Clinton and Frei supported the
four subjects
which will be the main points of the summit: education; preservi

ng and
strengthening democracy and human rights; economic integration and free
trade; and uprooting of poverty and discrimination."

BRAZIL: "Lack Of Support For Hemispheric Integration"

Independent Jornal da Tarde's economic columnist commented (4/16), "No one
can
in principle opposes the economic, political and social integration in
the hem
isphere, [But] it has become increasingly evident that this
integration is not
supported by at least two of the main institutions from
governments which have
so far taken the decisions. The U.S. Congress has
systematically refused fast
track because both the unions and politicians
understand that the FTAA is a re
al threat to jobs and wages. Mercosul, the
major bloc that is facing U.S.

negotiators, also fears the FTAA impact on its market. It understands that
the
se freetrade accords run the risk of creating a neocolonialist
situation that w
ill give the bloc's internal market as a whole to U.S.
products....

"The FTAA negotiators sometimes forget the purpose of integrationthat it
makes
it possible to reduce costs and to increase competitiveness. If by
any reason
the integration of the Americas is not possible, the bloc's
economy, especiall
y Mercosul, will have to face the consequences of an
increasingly deeper integr
ation of other blocs. If Brazil and Mercosul do
not take advantage of this per
iod of Asian retraction to acquire
competitiveness, they will face an even toug
her competition than they have
had so far."

JAMAICA: "Summit's Significance"

President of the InterAmerican Dialogue Peter Hakim's conclusions ran in
the i
nfluential, moderate Daily Gleaner (4/16): "Agreement will be reached
on new mu
ltilateral arrangements to evaluate the antinarcotics performance
of every coun
try...it should begin a shift in emphasis toward regional
approaches.... To ma
ke this work, the governments will have to get beyond

rhetorical commitment, an
d set in place means to monitor and report
results. The Santiago Summit's main
accomplishment will be to accelerate
progress toward hemispheric free trade an
d economic integration, the
necessary cornerstones for effective U.S.Latin Amer
ican cooperation. The
summit is also significant...just because it's taking pl
ace.... There will
be no great surprises or breakthroughs, and some particular
ly difficult
problems, like the question of Cuba and the deteriorating situatio
n of
Colombia, will not be on the agenda. But the summit will demonstrate agai
n
that the countries of the Americas face some shared challenges and they are
l
earning to work together to address them."

CANADA: 'Hemispheric Cooperation Will Flourish"

The leading Globe and Mail (4/15) said in an editorial, "Without
fasttrack, an
d dogged by disputes over standards that have no place in
trade agreements, the
official launch of the FTAA negotiations in Santiago
will be inauspicious....
Hemispheric cooperation will flourish, with or
without the laggards in Washing
ton."

"Chretien Should Clarify Aims On Hemispheric Trade"

The liberal Toronto Star (4/16) observed, "Clinton was rebuffed by Congress
wh
en he sought the authority to negotiate new trade agreements on America's
behal
f. Not only did this scuttle the administration's effort to bring
Chile into t
he 1994 CanadaU.S.Mexico free trade agreement. It cast doubt
on the whole idea
of a hemispheric free trade.... With Clinton no longer in
a position to lead t
he hemispheric free trade drive, Chretien must decide
whether to step into the
leadership role."

BRITAIN: "RedFaced In Santiago"

The independent Financial Times held in its lead editorial under the
headline
above (4/17): "President Clinton's desire for warmer relations
with the America

s is praiseworthy, and reciprocated.... Alas, he now finds himself returning t
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congressional approval for a renewal of fast track negotiations has left the FT
AA in limbo. The fast track failure is a symptom of creeping paralysis in U.S.
trade policy. The administration does not seem able to make the case for free
trade convincingly enough to persuade Congress. That is a worry for the world
, especially as the American trade deficit mounts. But the fact that the FTAA
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"The best route to trade liberalization...lies through the global negotiating p
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th America, constitutes a zone of growth, capable of withstanding the Asian cri
sis.... Despite a favorable wind, Bill Clinton will have to make great efforts
to warm up economic relations with Washington's former 'backyard.'"

BELGIUM: "Clinton Should Push For FTAA"

According to conservative Catholic La Libre Belgique (4/17), "Considerably wea
kened in his maneuvering room, the U.S. president should nevertheless discuss w
ith his partners once again the creation by 2005 of a continental free trade ar
ea extending from Alaska to Tierra del Fuego."

G7, IMF, G22: JAPAN'S RECOVERY AND REFORM OF WORLD FINANCE

JAPAN: "Japan's International Pledge To Revive Economy"

Topcirculation, moderate Yomiuri's editorial said (4/17): "'The government, ruling and opposition political parties and business leaders should not reject foreign calls (for Japan's effective economic measures) as interference into Japan's internal affairs. Instead, they should recognize the gravity of Japan's responsibility within the world economy. The nation must do whatever it can to pull the ailing economy out of the long slump through prompt implementation of a truly effective stimulus package, and thus restore confidence in the economy at home and abroad. The United States and other G7 nations also bear a responsibility to support Japan in its efforts to revive its economy."

"Japan Must Implement Permanent Tax Cuts"

An editorial in businessoriented Nihon Keizai observed (4/17), "G7 meetings do not usually center on the Japanese economy. A statement, issued at the end of the meeting, expressed grave concern over the seriousness of problems facing Japan. The statement reflected a sense of frustration the U.S. and European countries have felt toward Japan, which has neglected for too long the stimulation of its ailing economy."

"G7 Frustration Keeps Growing Over Japan"

Liberal Asahi commented editorially (4/17), "The G7 meeting ended with a sense of frustration among other member countries. It appears that Finance Minister Matsunaga mistakenly jumped to the conclusion that the United States and other G7 countries understood Japan's latest economic package.... From now on, Japan should adopt the common view of other G7 nations that Japan's economic slump must be understood in the context of the Asian (economic) crisis. Japan's economic recovery is indispensable to an Asian economic recovery. As long as the Japanese economy remains sluggish, both the Asian and world economies will also

remain in the
doldrums. Now, both the international community and markets are i
rritated
by Japan's lack of understanding of the 'feeling of crisis' held by ot
her
G7 nations."

CHINA: "Western Powers Impose Pressure; Japan Pledges Reforms"

The official Beijing Daily (Beijing Ribao) (4/17) commented: "Economic
reform
will deprive Japan of many economic opportunities. Although Japan
wants to ref
orm, it is reluctant to provide the monetary investment for
reform.... If Jap
an remains indecisive in its reform policies, its
economy will hardly recover,
nor will the U.S. and European countries
lessen their pressure on Japan."

"Legislation Promotes Financial Reforms"

Xu Yanli and Guo Yajie wrote in State Council Economic Daily (Jingji Ribao)
(4
/17): "The twists and turns of the current Japanese financial reform
reveal a
lack of thoroughness. On the other hand, however, Japan cannot
backtrack once i
t opens up its financial markets. We still cannot predict
the future effects of
these reforms."

AUSTRALIA: "Reform Of World Finance"

In an editorial, the businessoriented Australian Financial Review (4/17)
noted
: "Rather than being broken, let's not forget that global financial
capitalism
is mostly working.... This does not mean that the architecture
does not need f
reshening up along the lines to be considered by the
G22.... And it may even i
nclude exploring how creditors themselves take
more of a haircut when their opt
imistic lending turns sourinstead of
being bailed out by the IMF. Again, givin
g crewcuts to foreign creditors
sounds the right lenderbeware thing to do. But
taking this too faras do
the antiIMF Republicans in Washingtoncould end up mak
ing it harder for

crisishit debtor countries to access the capital they need to
recover."

MALAYSIA: "Curbing Global Hedge Funds"

The governmentinfluenced Business Times offered this editorial (4/17):
"Never
mind that it took the International Monetary Fund ages to discover
the truth;
its admission this week that there is a need to curtail the
activities of power
ful hedge funds is significant. Malaysia has been one
of the first and loudest
to call for a longterm solution to the financial
turmoil that hit the region l
ast July.... What is needed is a global
effort led by the relevant world autho
rities. The IMF and the World Bank
fit the billing but they will need not only
the support but also the
guidance of governments in Southeast Asia. Input fro
m countries like
Malaysia are important not only because they are directly affe
cted by the
turmoil but because they had quickly grasped the cause of the turmo
il. In
this context, ASEAN has a potentially major role to assume.... It is

crucial that ASEAN remains united in facing the currency issue and the
efforts
in dealing with the changing financial structure of the
international system.
ASEAN and the developing countries must now take the
lead in dealing with the
issue and be wary of some who may want to hijack
the matter and manipulate it t
o their own vested interests."

THAILAND: "China, Japan: Who's Asia's Savior?

Writing in the independent Englishlanguage Nation (4/17), Sutichai Yoon
commen
ted: "So who's the more resilient, China or Japan? In other words,
who can w
e rely on to pluck us out of this messthe world's secondrichest
country or the
world's most populous nation? Are we witnessing a real
competition for eventua
l economic dominance in Asia? Is China taking over
from Japan as the economic
leader underscoring the beginning of a
fundamental shift in the midst of the As
ian meltdown? The answers,
unfortunately, are far from encouraging. The progn

osis is equally gloomy
for the two Asian giants. China and Japan need not be e
ngaged in a race
towards regional dominance in the economic field. But the two
could in fact
complement each other and any attempt by either side to outrank t
he other
will be taken as a sign of immaturity. Reform is the key word and bo
th
Japan and China must demonstrate their commitments in the form of pragmatic
economic rejuvenation agenda in order to lay down the

foundation for Asia's economic recovery. In the end, the two giants cannot
pur
sue their own economic policies without taking into consideration Asia's
longte
rm political, economic and social stability."

GERMANY: "A Promise"

Centrist Stuttgarter Zeitung (4/17) had this to say: "The exhortations fell
on
receptive ears. The financial experts had called for reforms to
liberalize th
e European labor markets. These points were also put in the
final communique w
ritten by the finance ministers and central bank
directors of the G7. Germany,
France, and Italy belong to the G7 and
thus they direct these points towards t
hemselves. But those communiques
usually do not have much to do with the polic
ies carried out by the
national governments."

BRITAIN: "Washington Outlook Bright Beyond Tokyo Stormclouds"

The conservative Times had this by economics editor Anatole Kaletsky
(4/17):
"The main conclusion to emerge from the Washington meetings of the
IMF and the
G7 was predictable, but nonetheless important. The Asian
crisis, which was mai
nly responsible for the sudden disappearance of hawks
in the central banks, has
turned out to be more damaging than expected for
the countries directly involv
ed, but it has been little more than a
pinprick for the advanced economies of A
merica and Europe.... Perhaps the
most powerful message to come out of the Was
hington meetings was the
indecision and lack of leadership in the Japanese gove
rnment's approach to

its economic problems. It was hardly surprising that the
G7 communique,
which seemed justifiably optimistic about every other feature of
the global
economic picture, betrayed an obvious lack of confidence in Mr. Has
himoto
and Japan."

ITALY: "G7 Leaders: 'Careful, Another Crisis Will Destroy Us'"

Arturo Zampaglione wrote from New York for leftleaning, influential La
Repubbl
ica (4/17): "Treasury ministers and central bank governors
yesterday dealt in
Washington with the 'architecture' of international
finance.... Invited by U.S
. Treasury Secretary Rubin...representatives of
the G22...listened to the U.S.
proposals. First, more transparency for
the economic data supplied by all coun
tries.... Second, the establishment
of more rigid criteria for banking institu
tions all over the world....
Third, making private investors coresponsible....
Of course, it will take
time before all these ideas develop into political de
cisions, but everybody
realizes...the urgent need to achieve a conclusion. Eve
rybody is convinced
of the risk that another crisis, perhaps even more serious
than the Asian
crisis, may put the international economy on its knees."

RUSSIA: "Japan Left To Its Own Devices"

Dmitry Zharnikov wrote in reformist Noviye Izvestia (4/17): "Weak Japan is
a b
ig headache for the West which is doing everything to protect itself
from cheap
Japanese exports and global financial cataclysms. In
Washington, the Japanese
were told bluntly that they could only rely on
themselves.... Russia held no
part in denying 'brotherly capitalist aid'
to Japan. Moscow was not invited.
Commenting on that, the chairman of the
Russian Central Bank, Sergei Dubinin, a
ptly remarked that Russia's
political weight still exceeds her economic potenti
al."

DEATH OF POL POT: 'BUTCHER OF CAMBODIA' 'CHEATS THE HANGMAN'

THAILAND: "Cheating The Hangman"

The moderately conservative, topcirculation Bangkok Post opined (4/17): "The death of the former leader of Cambodia has cheated the hangman. Pol Pot was one of the worst tyrants in the history of the world.... The death of a dictator is never a bad thing. Those who feel somehow cheated at the manner of Pol Pot's death must realize that, nevertheless, he has gone off to his reward or karma. It is somewhat selfish to wish he had lived longer so that a judge could decide the manner of his death. Almost all Cambodians wish he never had been born."

INDONESIA: "Death Of A Dictator"

In the view of the leading, independent Jakarta Post (4/17): "Assuming that the reports are true, there is hardly any sane human being on earth who feels sorry. His death is by no means the closing chapter of Cambodia's reign of terror, however, as there are many other former Khmer Rouge figures who reportedly hold official posts in Phnom Penh at present. What is more important is to see that true justice is given to the Cambodian people, particularly to those whose parents, offspring and relatives died in the bloody years of the Khmer Rouge regime. Besides, even if Pol Pot had lived long enough to be tried, the trial would not have brought the dead back to life."

SOUTH KOREA: "World Infuriated Over Pol Pot's Death"

Independent DongA Ilbo saw Pol Pot's death this way (4/17): "The world is angry and disappointed, since it can no longer put Pol Pot on trial for crimes against humanity. As the U.S. initiative was gaining support to arrest and put him

before an international tribunal, the world thought that
it would be able to r
eveal the truth about one of the worst slaughters this
century ever saw. The t
ruth about the killing fields' may have to be
buried for good with the death o
f the mastermind of the slaughter."

"Pol Pot's Death: The End of Bloodshed"

Probusiness JoongAng Ilbo had this assessment (4/17): "The death of Pol
Pot...
implies that the 'era of blood' has ended in a country that has seen
endless s
trife. With his death, the Khmer Rouge, that poses the greatest
obstacle to pe
ace in Cambodia, suddenly finds itself on the verge of
collapse."

AUSTRALIA: "Pol Pot's Legacy Of Tyranny And Terror"

The liberal Melbourne Age maintained (4/17): "Even in death, Pol Pot has
chea
ted justice.... There will be speculation, too, about the fact that
his deathr
eportedly caused by a heart attackhappened only a week after
President Bill Cli
nton ordered U.S. officials to seek his arrest and
removal for trial abroad....
The enormities of Pol Pot's regime compare
with the worst excesses perpetrate
d under Hitler and Stalin. Like them, he
will not be mourned, and, like them,
he will not be forgotten."

"Pol Pot"

The liberal Sydney Morning Herald commented (4/17): "It is now clear that
both
Pol Pot and his partners in crime were primarily concerned last year
to mount
a charade which would, if only temporarily, deflect moves to call
them all to a
ccount. Now there should be no hesitation. The Cambodian
authorities, however
fractious they might be, should be persuaded by the
international community to
accept an international war crimes tribunal.
That, not the mere

passing of Pol Pot, will best enable all Cambodians to become reconciled
and to
face the future."
X` hp x

GERMANY: "Guilt Without Atonement"
X` hp x
Readers of leftofcenter Frankfurter Rundschau saw this editoral (4/17):
"One o
f the biggest criminals of our century peacefully passed away. Pol
Pot never h
ad to fear being put before a Cambodian or international court.
He and the ot
her leaders of the Khmer Rouge were never punished for their
crimes.... One of
the biggest crimes of our century would not have been
possible without the com
plicity of the leading powers. Initially, China
and the Soviet Union protected
Pol Pot's regime. After the invasion by the
Vietnamese, the United States hel
ped those deprived of power get
international recognition. Under the name of D
emocratic Republic of
Kampuchea, Pol Pot's representatives were admitted in the
UN.... Those
responsible for the genocide regret nothing; the only thing they
learned
was how to pull their neck out of the noose. That is why it is import
ant
to create an international criminal court whose prosecutors can
independent
y arrest criminals."

X` hp x BRITAIN: "Cheating Life"
X` hp x
The conservative Times' editorial said (4/17): "During his lifetime, Pol
Pot c
heated more than a million Cambodians of their lives; now, as reports
of his de
ath are confirmed, he has cheated the nation he terrorised of the
chance to cal
l to account one of the most monstrous instigators of mass
killing and systemat
ic torture.... Pol Pot has cheated the world; his
henchmen must still be ident
ified and brought to account."

"A Death In Cambodia"

According to an editorial in the liberal Guardian (4/17): "If his death
serves
any purpose, it is to deal a death blow to the movement which
supported him, a
nd to prompt us to probe more deeply into the complex
sources of evil."
X` hp x
FRANCE: "Pol Pot: The Missed Trial"
X` hp x

Charles Lambroschini exclaimed in rightofcenter Le Figaro (4/17): "Too bad Pol
Pot died in his sleep! He should have been brought to another Nuremberg tribu
nal. He should have been shot in front of television from all over the world.
Without that act of justice, the ghosts of two million men, women and children
whom this executioner massacred between 1975 and 1978 will endlessly haunt the
'killing fields' in Cambodia."
X` hp x
ITALY: "Who Gains From Pol Pot's Death?"

Nicol degli Innocenti asked in leading business Il Sole24 Ore (4/17): "Who ga
ins from Pol Pot's death? Hun Sen, the Phnom Penh leader, certainly loses: Al
ways a supporter of Vietnam and a major enemy of the Khmer Rouge, he was hoping
to hand his longtime enemy over to an international tribunal and thus obtain t
he international legitimacy he had lost in last July's coup. Instead, the form
er collaborators of Pol Pot, now his opponents. are the winners. In the wake o
f the recent order by the United States to arrest and try Pol Pot...the timelin
ess of Pol Pot's heart atack is suspicious, to say the least. We cannot rule o
ut that Khmer Rouge leaders had decided to kill the sick old leader, who had be
come a burden and a risk. An international trial would have brought to light t
heir own crimes as well."

RUSSIA: "One Fewer Butcher"
X` hp x
Vladimir Abarinov, commenting on Pol Pot's reported death, reminded the reader
s of reformist Russkiy Telegraf (4/17): "The Red Khmers were one of the most ca
nnibalistic regimes in

human history. Last but not least, Pol Pot was a Communist with a 50year servi
ce to the party behind him."
X` hp x
SPAIN: "Pol Pot Dead At Last"
X` hp x
Independent El Mundo lamented (4/17): "The worst part about the death of Pol P
ot...is that it prevents him from being tried for crimes against

humanity...but
history has already issued its judgmentand it will not
absolve him.... So dee
p were the wounds inflicted during his reign of
terror that Cambodian society s
till bleeds...[and] those Cambodians who
survived the terror of the killing fie
lds realize that the enormous
massacre that took place was not the work of one
man alone. To cite just
one example, the current prime minister, Hun Sen, was
one of Pol Pot's high
military officials during the height of the genocide betw
een 1975 and 1979.
So long as Cambodia does not clarify what happened during t
he bloodbath
that did away with 25 percent of its population and bring to justi
ce those
responsible, it will be unable to face the future without rancor."

BRIEF

RUSSIA: 'NO' TO KIRIYENKO, MAYBE 'YES' ON CASPIAN SEA

RUSSIA: "Duma Rejects Kiriyenko Again"

Radio Echo of Moscow (4/17) reported that "The Duma has turned down Sergei
Kir
iyenko in a second vote today with an even larger margin than a week
ago. Comm
enting on that, Kiriyenko said the Duma politics did not bother
him."

"Duma: Last No Before Yes"

With the Duma to hold a second vote on Kiriyenko today, reformist Russkiy
Tele
graf (4/17) predicted in this piece by Svetlana Lolayeva: "Today does
not look
like Kiriyenko's day. The Communists, feeling they have to use
every opportun
ity to save face, are likely to say no. But that is going to
be a forced prelu
de to the Duma's yesvote next Friday. Holding Yeltsin
fully responsible for no
minating a young and inexperienced man, the
Communists will approve him to main
tain stability in society, referring to
the familiar 'with this president, we c
an't leave the country on its own.'"

"Consensus Looms Over Caspian Sea"

Nikolai Ivanov commented in reformist Segodnya (4/17): "While Russia and

Kazak
hstan are preparing to sign an agreement to divide the Caspian seabed,
a genera
l convention on the status of the sea is not yet to be. Whether
the two countr
ies' example will inspire other participants in the upcoming
CIS summit depends
not only on political declarations but the substance of
the abovesaid agreemen
t."

"Baku, Washington See Eye To Eye"

Andrei Ivanov said in reformist Russkiy Telegraf (4/17): "Azerbaijan and
the U
nited States fully agree that Turkmenistan oil must bypass Russia.
The only ar
gument left Moscow is that an underwater pipeline is an
ecological risk, the se
ismic situation in that area being what it is. How
true that is, is anybody's
guess. In any case, those considerations don't
seem to bother the other littor
al countries."

###Xx\ P6QyXP#

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