

Violence rocks Venezuela

Cent. of Latin America

CARACAS (VENEZUELA), NOV. 5.

Supporters of the Venezuelan President, Hugo Chavez, trying to stop an Opposition march fought street battles with police seeking to keep the two sides apart, leaving 16 people wounded and fuelling Opposition claims that the Venezuelan leader cannot control his backers.

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Ignoring government calls for calm, the Chavistas, as Chavez supporters are known, fired guns, erected barricades and threw rocks to prevent marchers from delivering 2 million signatures demanding a Dec. 4 referendum on Mr. Chavez's rule. Police and federal National Guardsmen allowed the red-clad Chavistas to impede the Opposition march before the Guard launched a massive cloud of tear gas to disperse them. Sixteen people, including three police officers were wounded, said an official. — AP

THE HINDU

6 NOV 2002

Brazil gets first working-class President

Central & Latin America - Brazil AP

9-12 29/10
Sao Paulo (Brazil): Former metal-worker Luiz Inacio Lula da Silva has clinched Brazil's presidency in a runoff, winning a huge mandate to lead the first elected leftist government in Latin America's largest nation.

With 98 per cent of the official ballots tallied, the man everyone calls Lula had won 61 per cent of the vote, prompting rival Jose Serra, the candidate of President Fernando Henrique Cardoso's ruling coalition, to concede defeat. "Hope won over fear," Mr Lula said in an improvised speech before heading out to the streets of Sao Paulo to celebrate his record-breaking 51 million votes on the day of his 57th birthday.

In his fourth bid to be Brazil's first working-class President, Mr Lula rode a wave of discontent with rising unemployment and spiralling crime but was forced to move to the centre to woo voters wary of his radical past.

He sent a message to financial investors from Sao Paulo to Wall Street who doubted his ability to run the world's ninth largest economy and its delicately balanced \$260 billion in public debt. The doubts have battered the currency this year.

"I think the market will tend to calm from here on," said Mr Lula, who will be sworn in for a four-year term on January 1, 2003. "Everyone

knows it is not normal to have the real (currency) at 4 to the dollar."

Legions of Lula voters spilled out into the streets two decades after the former labour leader organised massive marches against the military dictatorship in Sao Paulo's industrial belt and planted the seeds for his Workers' Party.

"Mr Lula said he was being elected President of the republic in the name of our generation, everyone who fought for democracy in Brazil and dreamed about this moment," said party President Jose Dirceu.

The election and the government transition are considered a vital test for Brazil's young democracy in what is the fourth presidential vote in the world's fourth most populous democracy since the end of the 1964-1985 military rule. Mr Lula takes over at a difficult time, where a decade of unbridled free-market



Brazilian President-elect Luiz Inacio Lula da Silva waves to the crowds as he delivers his victory speech in Sao Paulo on Sunday. At left is vice-president-elect Jose Alencar and next to Lula is his wife Marisa.

reforms have shown mixed results.

While Cardoso choked off hyperinflation and brought large investment, unemployment is at its highest level since early 2000 and wages are falling. A financial crisis has crippled the currency and sparked fears

of a default on its debt.

Brazil also has the world's second-highest murder rate—following war-torn Colombia—fuelled by urban warfare between drug gangs and rampant crime in the sprawling cities where plush condominiums overlook teeming slums. Reuters

Army option in Chechnya unlikely to be effective

By Jai Taraporevala
TIMES NEWS NETWORK

Mumbai: President Vladimir Putin of Russia will face conflicting pressures in the coming weeks as he seeks to maintain a hardline policy on Chechnya in the aftermath of the hostage drama in Moscow. The continuing preoccupation of the Bush administration with its war on terrorism and focus on stepping up the military pressure on Iraq will give Moscow greater freedom of manoeuvre to pursue a tough stance on Chechnya, where 40,000 Russian troops are currently deployed.

NEWS ANALYSIS

This being so, it will not be surprising if the Kremlin turns up the heat on Georgia for allegedly harbouring Chechen rebels in the border region of the Pankisi Gorge. Besides, the firm line on Chechnya will be reinforced by Mr Putin's own ideological predilections, the divisions in the ranks of the Chechen rebel movement and the wide agreement between most of the main parties in parliament on the approach to be pursued. Also, public opinion in the country broadly backs the government's stand.

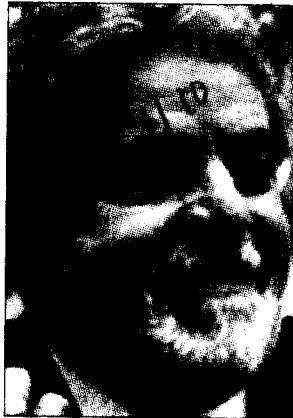
These factors notwithstanding, the Kremlin faces considerable obstacles

ahead. Given the rugged nature of the terrain in the republic, the unwillingness of Moscow to devolve substantial autonomy to Chechnya, the support which the rebels enjoy among many Chechens, and the fact that the Chechens have intermittently been fighting against the authority of Moscow since the mid-1850s, the military option is unlikely to prove any more effective than it has in the last eight years.

Moreover, although Washington will be supportive of Moscow's campaign against Chechen rebels on the diplomatic front at least, the US will be rather wary of the possibility of Russian military action on the Georgian side of the common frontier. After all, the US has military advisors operating in Georgia, and also politico-strategic interests in developing closer ties with the country which is a key link in the construction of a lucrative oil pipeline between Azerbaijan and Turkey.

On balance, therefore, the stalemate in Chechnya can be expected to continue in the foreseeable future, with the Moscow-backed government holding on to the urban areas but not managing to stamp its authority over vast regions of the countryside. But, as recent events have demonstrated, Russian security forces will remain vulnerable to rebel attacks even in the towns.

Leftwinger set to win Brazil Presidency



Mr Luiz Inacio Lula da Silva

The Times, London

SAO PAULO, Oct. 3. — Latin America's most prominent Leftwinger and clear favourite to win Sunday's presidential election in Brazil, Mr Luiz Inacio Lula da Silva ended his campaign by leading thousands of metalworkers through the streets of Sao Paulo.

Mr Da Silva chose the route, in the city's industrial outskirts, for a reason. It passed the site where he led a steelworkers' strike against the country's dictatorship in the 1970s. His speech was designed to appeal to Brazilians across class and party lines. "With me as President, Brazil will regain its pride and dignity."

He has toned down his once fervent socialist rhetoric. He has struck a pre-election pact with the centre-right Liberal Party and chosen a textile tycoon, Mr Jose Alencar, as his Vice-Presidential candidate. He has also exploited the electorate's desire for change.

'Nun' leads Colombia's rebel women fighters

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Central & Latin Am
CAQUETA (COLOMBIA), AUG. 15. Colombian police were searching on Wednesday for a woman known as "the Nun" who was at the centre of guerilla attacks in the capital that killed more than 20 people on the new president's inauguration day.

The woman, described by police as "black haired, 5ft 7ins, around 33 years of age and uncommonly attractive", rented two houses in Bogota before the Colombian President, Alvaro Uribe, was sworn in.

Colombia's biggest Marxist rebel force installed remote-controlled mortars in the houses and shelled the presidential palace and a military academy, killing 21 people and injuring more than 70.

According to intelligence sources the woman is known to the guerillas by the alias "the Nun". Police believe that she may be a senior operative in the Antonio Narino Urban Network, set up by the Revolutionary Armed Forces of Colombia (FARC) to take its war to the cities.

She paid five months rent in advance and police sources believe that she was instrumental in planning the operation and moving the mortars and ammunition into place.

The fact that the Bogota raid was masterminded by a woman is not unusual. The guerillas operate an equal-opportunity recruitment policy in a traditionally macho society and women are driven by the same motives as men to join; the status attached to being a fighter compares well with poverty, unemployment and lack of opportunity.

The result is that female fighters now form 30 per cent of the FARC's 30,000-strong forces. Troops who have faced

them say that they fight every bit as hard as their male colleagues and are perhaps even more vicious.

FARC likes to get its recruits young. Adriana is 17. She joined the rebels when she was 13 and killed her first man at 14.

"We attacked a police station," Adriana said, recalling her first taste of combat.

"I just kept firing at the police station while others moved in. I lost some good friends that day."

Adriana said that although life is tough with the rebels, women enjoy special status and sexually abusing a female comrade is a heinous crime in the guerilla rule book.

"They can't abuse us because if they mistreat a woman and she reports them to the commandante, they have to go in front of a war council. And if the war council finds a man guilty of rape, for example, he is executed."

Strict rules govern relationships in FARC, explained one of the few female commanders, Mariana Paez (38), an 11-year veteran.

"In the first place girls have to ask permission before they embark on a relationship. There can be no secrets and if discovered these are punished," she said.

"Secondly there is no contract of any kind and if the commander tells her to leave her boyfriend then so be it. While they are together they may bunk down in the same place. But at no time must the relationship interfere with work."

Women have played crucial roles in almost all the high-profile guerilla operations, particularly in intelligence gathering.

— ©Telegraph Group Limited, London, 2002

Uribe declares emergency to fight rebels

BOGOTA, AUG. 12. Colombia's new President Alvaro Uribe declared a limited state of emergency today to fight what the Government described as a "regime of terror" following an upsurge of war violence.

Mr. Uribe, who took office on Wednesday accompanied by a salvo of leftist rebel mortar shells in Bogota that killed 20 civilians, also decreed an emergency tax to allow the Government to raise \$778.5 million to fund a military build-up.

"The Government has decided tonight to declare the state of emergency," the Interior and Justice Minister, Fernando Londono, told reporters during a news conference in the capital Bogota.

Mr. Londono did not give specifics about what the state of emergency would entail but the decree stated it would not include any suspension of constitutional guarantees.

The decree is valid for 90 days and can be extended for another 90 days.

The crisis measures, effective immediately, were announced early on Monday after a day-long cabinet meeting called to discuss an escalation of violence that has left 100 dead since Mr. Uribe took office.

The Defence Minister, Marta Lucia Ramirez, said the emer-



The Colombian President, Alvaro Uribe, greets soldiers during an army demonstration in Valledupar in Cesar province where he was setting up a scheme to stop guerilla kidnappings on the country's highways. — Reuters

gency tax is designed to create two new elite mobile battalions, totalling up to 3,000 soldiers, and 10,000 new police officers. Colombia is gripped by a 38-year-old war that pits leftist rebels against outlawed paramilitary fighters and the military.

The war claims the lives of thousands of people every year. Mr. Uribe, a 50-year-old, right wing, former regional Governor, won a landslide election in May on pledges to boost military spending to crack down on out-

laws and restore law and order.

The Finance Minister, Roberto Junguito, said the emergency tax would levy a 1.2 per cent tax on the estates of the well-off and of big businesses.

The state of emergency, which is permitted under Colombia's 1991 Constitution, allows Mr. Uribe to legislate by decree, sidestepping Congress. Former presidents Cesar Gaviria and Ernesto Samper also decreed state of emergencies to deal with Colombia's long his-

tory of violence and drug trafficking.

"Everybody needs to understand that a widespread regime of terror means lack of security for average Colombians and that it has an immediate implication on the economy, undermining jobs and making life harder for the poor," Mr. Londono said.

In an unprecedented attack, rebels of the Revolutionary Armed Forces of Colombia — known as "FARC" — on Wednesday fired remote-controlled mortars in a street within range of the colonial Congress where Mr. Uribe took the Presidential oath.

Two grenades hit the nearby Presidential palace while another misfired into a slum, killing 20 street people.

The attack showed that the 17,000-strong FARC — Latin America's oldest and most powerful rebels army — has finally acquired the technical expertise to launch an urban offensive — a long-time FARC threat.

The war has long been confined to the countryside and attacks on the capital are rare.

The measures announced today will add badly needed resources to Colombia's overstretched military. — Reuters

Confidential
Action Plan

Emergency in Paraguay

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ASUNCION (PARAGUAY), JULY 16. Paraguay's President declared a state of emergency after violent clashes between police and anti-government protesters killed one and injured at least 17 others in widespread demonstrations against his economic policies.

National police searched for lingering demonstrators early on Tuesday and took up positions outside Congress in downtown Asuncion, where hundreds gathered on Monday to call for the resignation of President Luis Gonzalez Macchi. Police and soldiers fired

tear gas and rubber bullets from behind plastic shields at demonstrators chanting anti-government slogans in the capital city. One protester died late Monday in a clash with police in Ciudad del Este. Dozens were arrested in scattered protests nationwide.

Mr. Gonzalez Macchi, whose Government has been dogged by a persistent economic crisis, responded to the growing unrest by ordering more police into the streets and imposing emergency measures that suspend some civil rights. The state of emergency bans demonstra-

tions and gives police greater powers to make arrests and stamp out protests.

Some Paraguayans questioned the justification for the measures, saying the Government had acted with too heavy a hand. Jose Ayala, a constitutional expert, said the emergency decree was excessive.

The Government has blamed the protests on Lino Oviedo, a former army chief last reported to be living in asylum in Brazil, who is accused by Paraguayan authorities of planning the assassination of Vice-President, Luis Maria Argana. — AP

THE HINDI

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Brazil deploys radars, sensors to track down drug-peddlers

By Larry Rohter

Continental America
11-12

Manaus (Brazil): For as long as Brazil has been a nation, outlaws of every type, from gold smugglers and slave traders to drug-traffickers and gun-runners, have taken refuge in the Amazon, the world's largest jungle wilderness, secure in the knowledge that they could not be tracked down.

As of today, though, that shelter is no longer guaranteed. A new American-financed, \$1.4 billion system of radars and sensors has begun monitoring activity in a 1.9-million-square-mile area of trackless rain forest and rivers that is larger than half the continental United States. The system is so sophisticated and comprehensive that Brazilian officials now boast they can hear a twig snap anywhere in the Amazon.

The Amazon Surveillance System will allow Brazil to determine for the first time exactly who is flying through the airspace, whether commercial aircraft or drug dealers. It will also enable the authorities to track illegal logging and deforestation more efficiently, detect foreign guerrilla incursions, protect Indian lands and inhibit the smuggling of rare and endangered animal and plant species.

"This is a historic moment for Brazil," the minister of defence, Geraldo Quintco, said on Thursday during a ceremony here inaugurating the system, which was officially put into operation on Friday. "It transcends the

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simple unveiling of a government project," he said, allowing Latin America's largest country to "protect our land borders, preserve our natural riches and make the state a presence in our most remote areas".

The system includes 900 listening posts scattered on the ground all over the Amazon. But its backbone consists of 19 radar stations, five airborne early-warning jets and three remote-sensing aircraft, all of which will feed information via satellite to command centres in this Amazon capital and two others, Belim and Pôrto Velho.

"Because this is a radar system, we will be able to operate day and night, rain or shine," said Gen Teomar Fonseca Qumrico, the project director, making a contrast with satellites. From a height of 33,000 feet and a distance of up to 125 miles, he said, the system could track an image of something as small as a human being.

When first conceived more than a decade ago, the system was meant to answer growing foreign criticism that Brazil was not doing enough to protect the Amazon's delicate environment. But with cocaine production exploding in surrounding countries and a long war against leftist guerrillas worsening in Colombia, the military and drug-interdiction aspects of the project have become more important. According to a State Department report, the United States "is now the only nation clearly consuming more cocaine than Brazil". NYT News Service

28 JUL 2002

Castro seeks a referendum now on socialism

*Cuba
of Latin
America*

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HAVANA, June 15. — President Fidel Castro urged Cubans in an address to approve a referendum this weekend to make socialism an inalienable part of the constitution.

Mr Castro yesterday called the vote "a compelling response to a liberator that no one has invited," in an apparent reference to US President Mr George W. Bush, whose spokesman recently called Mr Castro's regime "totalitarian".

This week, a million Cubans marched in Havana to protest American foreign policy, as well as recent US accusations that Cuba was developing biological weapons to share with the enemies of the United States of America. Mr Castro had backed the referendum on socialism at that rally itself. Balloting will open at noon today and is to continue until noon on Tuesday.

Mr Castro asked voters to approve the referendum allowing an amendment to the constitution that would "expressly consecrate the will of the people that the economic, political and social system established in the constitution of the republic is inalienable". The text would be approved by the National Assembly, due to meet on 5 July, once voters give their voice.

The march and referendum are Mr Castro's latest riposte in his decades-long war of words with Washington. The US state department spokesman Mr Philip Reeker on Thursday derided the mass rallies as a sign that Mr Castro was growing desperate in the face of challenges to his leadership. "Totalitarian governments like that of Mr Castro specialise in these mega-rallies," he said.

THE ST. JOURNAL

16 JUN 2002

System 'untouchable'

Central Station Am: Cuba

HAVANA, JUNE 12. Protesting the U.S. President, George W. Bush's policies towards his country and defying calls for democratic reforms in his one-party system, the Cuban President, Fidel Castro, led hundreds of thousands of people in a march on Wednesday morning to ratify Cuba's socialist state as "untouchable."

Mr. Castro called for the marches to support the amendment, announced a month after a group of activists submitted a proposed referendum for deep reforms in the socialist system.

The proposed constitutional amendment declaring Cuba's socialist system to be 'untouchable', and the mobilisation, appear to be Mr. Castro's response to the Varela Project, the proposed reform referendum. Organisers submitted more than 11,000 signatures to Cuba's National Assembly on May 10, demanding a referendum asking voters if they favour civil liberties such as freedom of speech, the right to own a business, electoral reform. — AP



Fidel Castro at the march in Havana on Wednesday. — AP

THE HINDU

13 JUN 2002

Mexico, U.S. heading for border water war

WASHINGTON, MAY 31. America and Mexico moved closer to a water war on Thursday, as the Mexican President, Vicente Fox, missed his deadline for presenting a plan to repay the enormous Mexican water debt to the drought-stricken farmers of Texas.

Under the terms of a 1944 water-sharing treaty, Mexico is meant to share the waters of the Rio Grande with the United States, in return for waters from the American half of the Colorado River.

Since 1992, Mexico has run up a "water deficit" of 1.5 million acre feet — a huge quantity of water equivalent to several years' normal supplies. An acre foot is about 326,000 gallons.

Mr. Fox now hopes to unveil his package of measures to head off a water war next week, a Mexican official said, once his envoys return from a mission to convince governors in the bor-

der states along the Rio Grande.

Texan farmers and politicians accuse Mexico of hoarding water, producing satellite photographs of lush green fields and brimming reservoirs on the Mexican side of the border.

Mr. Fox's government has countered with its own images of barren, parched Mexican farms. Mexican farmers angrily point to the far larger use of water by the American side, where vast irrigation schemes have brought citrus groves and cotton crops to semi-arid plains of South Texas.

Mr Fox is under fierce attack from the Mexican media and opposition, which have called for the 1944 treaty to be torn up.

The Mexican official said: "It has become a very emotional and political debate. They are taking advantage of this to accuse President Fox of being too close to the U.S. " With a 10-year drought gripping the re-

gion, and the population on either side of the border continuing to soar, Mr. Fox has placed water conservation at the heart of his peace offering.

Texan farmers have reacted with anger to his suggestion that the U.S. should help to pay for water treatment and conservation projects costing hundreds of millions of pounds.

The Mexican opposition insists that there can be no talk of a water debt until the end of the year, when water deliveries for the past five years are calculated.

The dispute has been the subject of repeated discussions between Mr. Fox and President George W Bush.— ©Telegraph Group Limited, London, 2002

Bleeding Colombia goes to polls

Associated Press

BOGOTA (Colombia), May 26. — Colombians were voting for a new president on Sunday, with frontrunner Mr Alvaro Uribe seeking a first-round victory and a mandate for clamping down on guerrillas and political corruption.

The conservative former governor of strife-torn Antioquia State holds a commanding lead in opinion polls to replace President Mr Andres Pastrana, whose failed peace overtures he stridently opposed.

Casting his vote under overcast skies in Bogota's colonial downtown plaza, Mr Pastrana - who is constitutionally barred from re-election - urged Colombians to employ the "weapon of democracy" against violence.

"We are going to say to the violent ones that it's through votes and not bullets that they can achieve their objectives," said

the president, whose four-year term ends in August.

Mr Uribe's law-and-order rhetoric has struck a chord with Colombians fed up with their country's chronic lawlessness and violence. The latest polls have Mr Uribe, an independent candidate, near the simple majority he would need to take the election outright on Sunday and avoid a June runoff against his closest challenger, former interior minister Mr Horacio Serpa of the Liberal Party. Mr Serpa, who has been showing about 30 percent support, says he is confident there will be two rounds.

Competing for a distant third were Mr Luis Eduardo Garzon, a leftist labour leader who has picked up surprising support in a country whose political left has been decimated by violence; and Ms Noemi Sanin, a former foreign minister who is the only woman in the race.

At least half of the country's 24 million registered voters were expected to cast ballots in the elections, which were being monitored by the Organization of American States and were taking place under tight security against possible rebel sabotage. The campaign was marred by threats and violence, including an assassination attempt against Mr Uribe and the kidnapping of Ingrid Betancourt, the candidate for a small reformist party.

The government said it was deploying 212,000 troops and police to protect voting around the rugged South American nation. The results will be closely observed in Washington, where President George W Bush's administration has laid out plans to broaden American military support. Mr Uribe has welcomed the US help, but his hardline reputation could raise red flags about human rights.

THE STATESMAN

27 MAY 2002

Carter asks Cuba to allow vote on reform

FROM ANTHONY BOADLE

Havana, May 15 (Reuters): Former US President Jimmy Carter, in an unprecedented public critique by a visitor, encouraged Cuba's one-party Communist state yesterday to allow a popular vote on internal reform in a speech delivered in the presence of President Fidel Castro.

Carter, the most prominent American to visit the island since Castro's 1959 revolution, also urged the US Congress to lift a trade embargo that the US has imposed on Cuba for 40 years to allow normal relations between the two Cold War foes.

His comments, read in halting but understandable Spanish, were broadcast on Cuba's state-run television and radio and followed closely by Cubans in their homes, as well as exiles across the Florida Straits in Miami, where the Hispanic television network Telemundo broadcast the speech live.

"Cuba has adopted a socialist government which does not permit its people to organise any type of opposition movement," Carter said in the address to students at Havana University.

"Its (Cuba's) constitution recognises the right of freedom of expression and of association, but other laws deny these freedoms to those who do not agree with the government," he said.

Carter said Cuba's constitution allowed a referendum on internal reforms and urged publication by the state-run media of the Varela Project, a proposal by dissidents who have gathered over 11,000 signatures to petition for a plebiscite on peaceful change.

The Cuban government maintains that its political system is fairer than Western-styled democracy and guarantees the rights of its 11 million inhabitants, with free access to public health and education.

During his six-day goodwill

visit that began on Sunday, the former President has heaped praise on the health and educational achievements of Castro's revolution.

But in a question and answer session with students after his speech, Carter said democracy also meant the right to speak without fear of punishment, to elect one's leaders, organise opposition parties and confront the government in office.

"Those kinds of rights don't exist in Cuba," he said.

Carter, who has campaigned vigorously on human rights issues since his 1977-81 presidency, went to Cuba to try to end decades of feuding between the neighbouring countries just 140 km apart.

In his speech, he said the time was right to overcome the "state of belligerence" in which the two nations have been trapped for 42 years.

The US, the most powerful nation, should take the first step by lifting the trade sanctions,

Carter said. "Some in Cuba believe that the answer is for the US to end the embargo, and others in my country think that the answer is that the president of Cuba leave power and allow free elections," he added, as Castro, 75, listened in silence.

Carter added that there was no "easy answer" to the dispute, which also involves the claims of exiled Cubans to property which was confiscated after the 1959 revolution.

He proposed that the US and Cuba set up a commission of notables to study each side's legitimate concerns.

In his speech, Carter said he hoped the US Congress would lift restrictions on Americans travelling to Cuba and revoke the trade embargo.

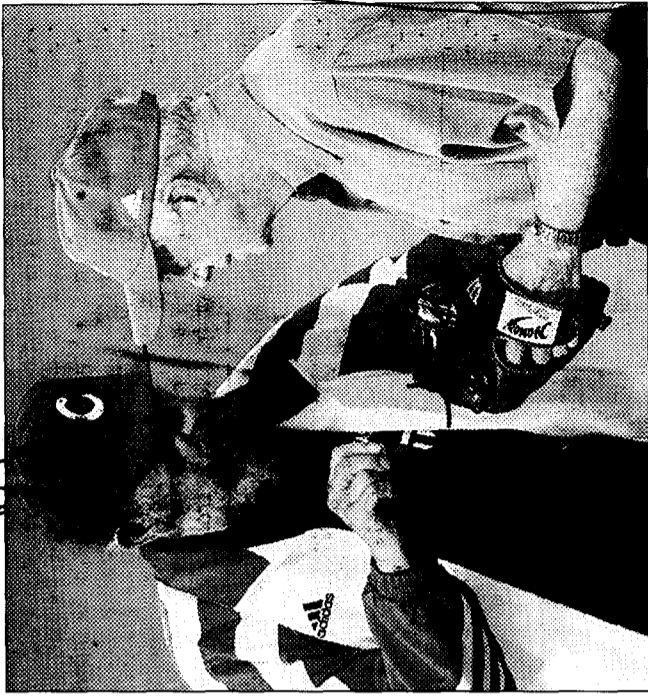
The trade ban already is under pressure in Congress and US business circles, but is firmly maintained by the Bush administration, backed by Cuban exiles in Florida who oppose

any effort to "appease" Castro. Carter's encouragement of the Varela Project, which has never been mentioned in the Cuban media, was a boost for the small but growing dissident movement that has been galvanised by the referendum campaign.

"I thank President Carter for offering information to the Cuban people on the Varela Project," the campaign's leader, Oswaldo Paya, told reporters at his home.

Paya, who met Carter on Monday, said the dissidents would continue collecting signatures and demand that the state-run media publish their proposals so it can be debated.

The plan, which the government says would fail, seeks a referendum on freedom of expression and association, an amnesty for political prisoners, more openings for private business, a new electoral law and a general election.



Former US President Jimmy Carter with Cuban President Fidel Castro (left) after a baseball game at the stadium in Havana (Reuters)

All doors open for Carter, says Castro

1975 410-15
Cuba & Latin America

HAVANA, MAY 13. As the strains of the "Star-Spangled Banner" faded in the wind at Havana's international airport, the Cuban President, Fidel Castro, turned to his visitor and said, "It's been a long time since that happened."

Jimmy Carter, the U.S. President who did more than any other to ease tensions with Cuba, arrived for a visit on Sunday — the first time a U.S. head of state, in or out of office, has come to the communist island since Mr. Castro's 1959 revolution. While both men spoke of the desire to improve relations, Carter's visit comes at the latest in many moments of tension, following allegations last week by the Undersecretary of State, John Bolton, that Cuba is seeking to develop biological weapons.

Mr. Castro denounced those claims as "lies" in a speech on Friday and challenged the United States to provide evidence. When Mr. Carter arrived, Mr. Castro promised him "complete access" to any Cuban biotechnology laboratory. Mr. Carter is scheduled to visit a major laboratory today, the Centre of Genetic Engineering and Biotechnology on the outskirts of Havana.

When they arrived, Mr. Castro escorted Mr. Carter and his wife Rosalynn to a wooden podium where flags from the two nations flew side by side and both national anthems were played. The "Star-Spangled Banner" is rarely heard in Cuba, though it was also played when the Baltimore Orioles competed against a Cuban all-star baseball team here in 1999.

On Sunday night, a dark-suited Castro played host to Mr. Carter and his delegation at talks and a dinner in the Palace of the Revolution. The visit gave the Cuban leader an unusually high-profile chance to reach out to Americans, and he used it by symbolically throwing open the doors of the island to Mr. Carter, who has made a post-Presidential career out of monitoring elections in developing democracies.

Mr. Castro nodded in agreement when Mr. Carter asked if a Tuesday speech would



The former U.S. President, Jimmy Carter (right), meets the Cuban President, Fidel Castro, in Havana, Cuba, on Sunday. — AP

be broadcast live. "You can express yourself freely whether or not we agree with part of what you say or with everything you say," Mr. Castro said. "You will have free access to every place you want to go."

"We shall not take offence at any contact you may wish to make," he added, an obvious reference to the dissidents and human rights activists Mr. Carter plans to meet.

Cuban officials have been irritated with some other foreign leaders who have held similar meetings, but Mr. Castro said Mr. Carter had proved his sincerity in the past. "A man who, in the middle of the Cold War and from the depth of an ocean of prejudice, misinformation and distrust ... dared to try to improve relations between both countries deserves respect."

Speaking in Spanish, Mr. Carter said he hoped "to discuss ideals that Rosalynn and

I hold dear ... peace, human rights, democracy and the alleviation of suffering." He said there were "differences on some of these issues" with Cuban leaders, "but we welcome the opportunity to try to identify some points in common and some areas of cooperation."

After the arrival ceremony, Mr. Castro gave the Carters a taste of the sort of honours visiting heads of state received in the era of Carter's 1977-81 Presidency: He joined the Carters in a black Soviet-made Zil limousine donated to Cuba by the Soviet leader, Leonid Brezhnev, in the mid-1970s. It is used only for the most distinguished guests. Mr. Carter, the first former or sitting President to visit Cuba since Calvin Coolidge came in 1928, has emphasised that his visit is private and that he will not be negotiating with the Cuban Government. — AP

US snubs Carter call to end Cuba embargo

*Central &
Latin America
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Havana, May 17

AS THE former US President Jimmy Carter wraps up a week-long visit to Havana, his proposal that the US should "take the first step" towards ending the four-decade embargo against Cuba is set to clash with anti-Cuba proposals that President George Bush will announce in Miami on Monday.

In a televised speech to the Cuban people this week, Carter said he had come "to extend a hand of friendship to the Cuban people", in an effort to end a "destructive state of belligerence for 42 years".

Carter's initiative was quickly supported by the Cuban Working Group, a bipartisan coalition of 40 members of the US Congress who are seeking to end the trade and travel embargo on Cuba.

The Massachusetts Republican congressman William Delahunt outlined proposals that included student exchanges, food aid and increased cultural contacts between the two countries.

"Adopt a policy of engagement," Delahunt urged. "It has proved successful elsewhere in the world."

But late on Wednesday, the US Secretary of State, Colin Powell, announced that the Bush administration would continue a policy that seeks to penalise US citi-

zens with fines of \$50,000 for visiting the island, and outlaws normal trade.

"President Carter speaks his mind, and he spoke his mind with respect to our policy, which he would like to see change, but which is not going to change," Powell said.

Powell added that President Bush would be outlining the latest Cuba policy in detail on Monday. "I think the President will reinforce that when he gives his speech," he said.

"I'm sure it will be a speech, though, that also offers hope and promise to the Cuban people."

Bush's speech will be delivered at a fundraising event for his brother Jeb, who is running for re-election as the governor of Florida. Given that the powerful anti-Castro Cuban-American community in south Florida was a key factor in the 2000 presidential elections, there is an expectation that Bush's speech will contain a variety of new measures designed to isolate Castro.

Bush will also propose increased funding for TV Marti, an anti-Castro television channel which is beamed from Florida to Cuba.

A showdown in the US is likely later this year, when American pressure groups are promising to challenge the blockade by shipping food, medicine and a boatload of pianos to Cuba.

The New York Times

THE HINDUSTAN TIMES

Central &
Latin America
49-10

COUNTERING A COUP

19/9

THE TYRANNY OF geography has ensured that an unfolding revolution in Latin America goes unnoticed in India. The attempt to remove a democratically elected President through sponsored street riots and acts of rebellion in Venezuela has been thwarted for the present. The political drama enacted by opponents of the marxist Hugo Chavez Government must revive memories of a bygone era of tin pot dictators propped up by official American agencies. The script this time has been dramatically rewritten thanks in part to the experiences gained by the continent during the 1970s and 1980s when coup followed bloody coup and military dictatorships were the norm. Mr. Chavez, who was ousted for two days by military-backed groups, has staged a dramatic return to power in a manner unprecedented by even South America's violent standards. The counter coup in Venezuela is significant in many ways. First and foremost, it is a triumph of people's will over the machinations of the old discredited combination of the military and interventionist forces. It is also a historic defeat, one hopes, for gunboat diplomacy and marks a break from the continent's sickening experiences during the Cold War.

The brief coup attempt prompts the question: whatever has happened to the likes of Chile's former dictator, Augusto Pinochet? As he recovers from alleged ill health and contemplates the scene, Mr. Pinochet must be filled with indignation over the fate of his continent where a quarter century ago he had perfected the art of military coup d'etat, ruling the hamhanded way in which the present military top brass are handling fluid situations. The General could stage-manage a coup, topple a democratically elected President and in Stalin style declare him dead by suicide and rule for more than two decades as a ruthless dictator. This was at the height of the Cold War in 1975. Today, the globalisation of the democratic spirit has raised insurmountable obstacles in the way of dictatorships. The attempted coup in Ve-

nezuela and its defeat come at a key moment in South America. After a decade of experimenting with democracy and plurality, the continent appears to be reverting to an era of soft dictatorships, helped in no smaller measure by the return of a Republican regime in Washington. The early 1990s, which saw military dictatorships give way to civilian rule in the continent, coincided with the start of the Clinton Presidency. Washington, in the first months of Bill Clinton at the White House and heady in the aftermath of the Cold War's end, launched a campaign against dictatorships all around, and especially in its backyard. The democratic decade, which came to Latin America ahead of its arrival in India's eastern neighbourhood, appears to be ending even as South East Asia is still celebrating the fall of Suharto in Indonesia. The changing complexion of politics in America may again get reflected in Latin America which takes the cue from its big northern brother for almost everything.

The immediate battle in Venezuela, in the northeastern region of South America, is over land reforms. Mr. Chavez who was elected to power in 1999 has been vigorously pursuing a radical reform programme which has hurt the rich landowners. As in the rest of Latin America, the slow returns from economic reforms have also provoked a backlash, leading to strikes and industrial action. The weekend's attempted coup was staged by a combination of sections of the military making common cause with the labour opponents of Mr. Chavez, owners of big farmlands and big business interests. Besides, Mr. Chavez did not endear himself to Washington by courting Fidel Castro, America's ideological enemy number one. In a throwback to the Pinochet coup, there are reports in the American media that the Venezuelan coup plotters were in touch with some officials in Washington. As he awaits his opponents' next move, for now, Mr. Chavez is safely back in the saddle.

Chavez back as President

5/4
15/4
Agence France-Presse

CARACAS, April 14. — A teary-eyed Hugo Chavez assumed the presidency of Venezuela in a dramatic ceremony at the presidential palace today, his voice choked with emotions after his removal from office during a two-day coup d'etat.

"I am still stupefied. I am still trying to assimilate the process," Mr Chavez said, speaking directly into the television cameras.

Mr Chavez returned by helicopter from detention on a Caribbean island early today and entered the presidential palace in Caracas where he is expected to resume the presidential functions he was ousted from two days ago. "We can write I don't know how many books for Venezuela on history and for the world of what this counter-revolutionary process is about," said Mr Chavez in a defiant tone.

Chavez administration Vice-President Mr Diosdado Cabello had taken an oath late last night to serve as acting president only until Mr Chavez could return to Caracas when the interim government that deposed the administration of Chavez resigned yesterday, after holding power for one day.

Mr Pedro Carmona, president of Fedecamaras, the country's main business federation, who on Friday led the interim gov-

ernment that ousted Mr Chavez, announced his resignation in a radio address to the nation just moments before announcing that the legislature had named Mr Cabello acting president of Venezuela.

The announcement restored the constitutionally-stipulated succession that had been interrupted by Mr Carmona's provisional government for 27 hours. Mr Carmona and other members of the interim government are now under military custody.

General Lucas Rincon was returned to his post as commander of the armed forces, which he held under Mr Chavez, said Vice Rear Admiral Mr Hector Ramirez, who had been named defence minister under the provisional government.

Former Chavez ministers said the entire Chavez cabinet, with the exception of Mr Chavez himself, had met at the Miraflores palace and delivered a message over the state-owned television network.

Mr Carmona reinstated the National Assembly once military leaders made that a condition of their continued support and the Organisation of American States threatened sanctions to punish what most hemispheric leaders called a coup.

The Carmona government also dismissed the Supreme Court and called for new elections within a year.



Venezuelan President Mr Hugo Chavez is greeted by supporters upon his return to the presidential palace in Caracas on Sunday. — AFP

15 APR 2002

THE STATESMAN

Chavez reassumes Presidency

Central of Latin America

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CARACAS, APRIL 14. A teary-eyed Hugo Chavez assumed the presidency of Venezuela in a dramatic ceremony at the presidential palace today, his voice choked with emotion after his removal from office during a two-day coup d'etat. "I am still stupefied. I am still trying to assimilate the process," Mr. Chavez said, speaking directly into the television cameras.

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was ousted from two days ago. "We can write I don't know how many books for Venezuela on history and for the world of what this counter-revolutionary process is about," said Mr. Chavez in a defiant tone.

Mr. Chavez was sworn in wearing civilian clothing and spoke at length of continued civilian-military collaboration. "These events that brought blood and pain should be a lesson for all," he said, in apparent reference to the violent demonstrations that led up to the coup

and continued during his captivity. "I call for peace. I call for calm, for rationality, for the unity of the country," he said. State-owned television broadcast live images of jubilant



The Venezuelan President, Hugo Chavez (left), greets soldiers upon his return to the presidential palace Miraflores in Caracas, Venezuela, on Sunday. — AFP

crowds of Chavez supporters who had gathered to receive him.

The Chavez administration Vice-President, Diosdado Cabello, had taken an oath late last night to serve as acting President only until Mr. Chavez could return to Caracas.

Mr. Cabello was sworn in as Venezuela's acting President, when the interim Government that deposed the administration of Hugo Chavez resigned yesterday, after holding power for one day. — AP, AFP

'Chavez is still President'

140-14 1414 Central & Latin America
CARACAS (VENEZUELA), APRIL 13. Many Venezuelans accepted Pedro Carmona's instalment as interim President as a done deal, but backers of ousted leader, Hugo Chavez, insisted he was still president, and several Latin American leaders called Venezuela's new government illegitimate.

After he was sworn in on late Friday, Mr. Carmona pledged new presidential elections within a year and moved quickly to sweep away what Chavez had done in his three tumultuous years in office.

Mr. Carmona dissolved the Chavez-controlled Congress, Supreme Court, attorney general's and comptroller's offices, and declared a 1999 Constitution sponsored by Mr. Chavez null and void.

"We can achieve the governability required to improve Venezuela's image," said Mr. Carmona, a long-time business leader. "The strongman era is ended." But Mr. Carmona's decrees — and even his instalment — drew immediate criticism.

"This is an illegitimate measure by an illegitimate government," said legislator Tania D'Alelio, a member of Chavez's party.

She said others from her party planned to go to Congress on Monday to hold session, despite Mr.

Carmona's proclamations.

Mexican President Vicente Fox said his country would not recognise Venezuela's new government until new elections are held, and the leaders of Argentina and Paraguay called the new government illegitimate.

Leaders of the 19-nation Rio Group of Latin American countries condemned "the interruption of constitutional order" in Venezuela. The military rejected Mr. Chavez's request for exile in Cuba, jailed him at an army base in Caracas pending charges related to Thursday's violence, and began an intensive search on Friday for his former Cabinet and collaborators.

In an interview with Cuban television aired in Havana early on Saturday, Chavez's daughter, Maria Gabriela Chavez, said her family had received information that her father had been moved by helicopter late on Friday from the military base to an unknown location. In a separate interview with the broadcaster, Maria Gabriela Chavez said her father had not resigned, saying he told her in a phone call to tell "the whole world ... that I am an imprisoned President and at no moment did I resign." — AP

Venezuelan President resigns, businessman heads transition govt

CARACAS: Venezuelan President Hugo Chavez resigned on Friday after senior military officers insisted that the flamboyant ex-paratrooper leave office, blaming him for the violence against a huge anti-Chavez protest march in which at least 10 people were killed. Businessman Pedro Carmona immediately took over as the head of a transition government.

In his first press conference after taking charge, Mr Carmona, the head of Fedecamaras, Venezuela's leading business association, said he would head a transition government that would lead to free elections.

The 47-year-old Mr Chavez, wearing a camouflage uniform and a red paratrooper's beret, left the Miraflores palace and was driven away in a black car to the armed forces headquarters in Caracas. His wife was allowed to fly back to her home town as a humanitarian gesture.

Earlier in the day, senior officers from the army, air force, navy and national guard appeared on the national television and urged the president to end his rule as leader of the world's fourth largest oil-exporting nation. "The president was asked to resign from his post, and he accepted," outgoing armed forces chief Gen. Lucas Rincon said, adding that all the members of the armed forces' existing high command, including himself, were tendering their resignations along with the president.

Mr Chavez swept to fame as a young army officer by leading an abortive coup in 1992. In 1998, he recorded a landslide victory in the presidential election.

After easily winning a referendum for a new constitution, he was re-elected in a 2000 election which he called to "relegitimise" his self-proclaimed

"Bolivarian Revolution", which was named after Venezuela's 19th century independence hero and designed to help the country's poor majority. His term had been due to expire in 2006.

However, in the last few months, Mr Chavez had been facing opposition from his political foes, business and labour leaders, and even dissident military officers, who accused him of trying to impose a Cuban-style Left-wing regime and criticised him for failing to fulfil his election promises of reducing chronic poverty, widespread unem-

ployment and serious crime.

But the military move against Mr Chavez followed scenes of bloody violence in Caracas on Thursday in which rooftop snipers opened fire against tens of thousands of anti-Chavez protesters. While ten people were

killed, over 80 were injured in the shooting near the presidential palace. The shooting broke out as Mr Chavez was giving a broadcast, carried on all national television and radio channels, in which he criticised as "irresponsible and subversive" the indefinite general strike called by his business and labour opponents who had organised Thursday's protest march.

Meanwhile, oil prices dipped to a four-week low on Friday after it was reported that the country was under military control. In fact, it prompted speculation of an end to the oil workers' protest that had crimped the country's exports. (Agencies)

Chavez placed under arrest

CARACAS: Army commander-in-chief Efraim Vasquez on Friday announced that President Hugo Chavez, who resigned earlier in the day, would be placed under arrest at Fort Tiuna here until a more appropriate detention site was found.

The former president is likely to be transferred to the Ramo Verde military prison in Los Teques. (AFP)

Cuba revives bio attack charge against America

Central & Latin Am
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Havana, February 26

IMMERSED IN a nationwide battle against an outbreak of dengue fever, President Fidel Castro revived on Monday an old accusation against the United States of carrying out biological attacks against Cuba.

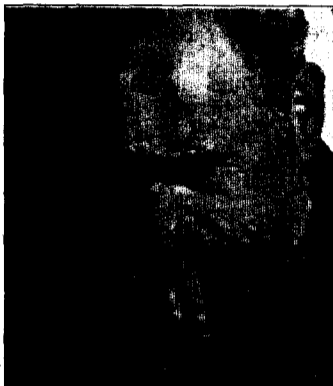
"I say to our people, I say it here, we have suffered dozens of biological attacks," Castro said in a television address on Cuba's massive campaign to eradicate a recent outbreak of the potentially fatal dengue fever.

Castro did not blame Washington for the current dengue problem, which has killed two and stricken hundreds but is now receding. But he said US authorities were responsible for past attacks against Cuban tobacco, sugar and pigs. Last year, Havana also blamed the United States for a disease that has destroyed 16,000 beehives, causing an estimated \$2 million in lost honey output, since 1996.

In Monday's sometimes-rambling comments on State television, Castro particularly lashed out at the US government's aid agency USAID, which he said was dedicated to spreading subversion in Cuba and backing corrupt elites elsewhere in Latin America.

"This is the famous agency, well-known in our country, very charitable, very humanitarian," he said sarcastically, after reading a media report of USAID's work in El Salvador, which is also fighting a dengue outbreak.

"We know 10 times more than them" about combating dengue,



FIDEL CASTRO

Castro said after a lengthy explanation of how Cuban authorities had managed to control the disease thanks to a massive public health campaign since early January.

"The most they (USAID) know about, really, is how to transport and develop viruses — they did it for years — and how to attack a country with viruses," he added. USAID sets aside millions of dollars each year for anti-Castro groups in the United States, some of whom support local dissidents. But Washington denies illegal actions against Cuba.

For decades, Havana has been alleging chemical attacks by US agents, sometimes speaking of planes spraying chemicals, or of individual travelers carrying germs. American officials generally ridicule those claims as fantasy and paranoia.

Castro promised a response to hostile comments in past days from a senior US diplomat.

Reuters

THE HINDUSTAN TIMES

Central & Latin America

Fresh protests in Argentina RD-19 29/2

BUENOS AIRES (ARGENTINA), FEB. 23. Fresh protests broke out in Buenos Aires, hours after the President, Eduardo Duhalde, admitted his Government may have to cut state workers' salaries because of the country's economic woes.

Several hundreds demonstrators gathered on Friday in the capital's main square, the Plaza del Mayo, the latest of a series of protests by pot-banging middle class Argentines, angry after four years of recession and a banking freeze that has shut off access to their savings. It was, however, the smallest protest so far, lasting just a couple of hours and taking place without incidents.

Other demonstrations took place in the Avellaneda suburb of Buenos Aires, where jobless Argentines blocked one of the main roads into the capital, and in the city centre in front of several foreign banks. Protests have become routine in the last two months since the former President, Fernando De la Rúa, announced his resignation after two days of looting and violent demonstrations left 26 dead. On Friday, Mr. Duhalde warned that state workers might see their salaries cut in the weeks ahead. Last year, state workers' wages were cut by 13 per cent. "It would seem that we aren't able to pay in full state workers' salaries. There's no money, so we can't pay," the President said over local radio.

In a televised speech later, Mr. Duhalde said pensions and social spending would not be affected. The President also said his Government hoped to create two million jobs and had an upbeat message for his compatriots. "I am convinced that despite

the difficulties ... we will get out of this crisis." Yet that optimism was not shared by Rodolfo Daer, head of Argentina's largest union confederation, the CGT, who warned that any failure to pay state workers would provoke an angry reaction. "If they don't pay people's salaries, there's going to be a social explosion, it's unthinkable," he said at a press conference.

Others took aim at Mr. Duhalde over news that he had ordered his salary to be raised to 3,000 pesos a month free of tax, a 15 per cent increase. The salary had been cut to 2,550 in December by the interim President, Adolfo Rodríguez Saa.

Meanwhile, the latest figures on industrial production confirmed the depth of Argentina's economic crisis. Production fell by 18 per cent in January on the year earlier, according to the National Institute of Statistics and Census. Argentina's economy is expected to shrink by 4.9 per cent this year, inflation rise to around 15 per cent and the budget deficit ran to \$ 1.5 billion, according to the Government.

Meanwhile, the Economy Minister said his country was unlikely to survive without IMF aid, in the latest effort to persuade reluctant foreign donors to help stave off what he termed "social chaos." Jorge Remes Lenicov was told by the IMF last week it will not even evaluate aid until it sees more evidence of cost-saving and plans to restructure a banking sector that is drained of deposits and savers' confidence.

The Minister warned in an interview: "We are convinced that Argentina will find it tough to get out of this without a deal

with the IMF. That will allow us to get financing and improve our economic outlook. It's impossible for Argentina's economy to recover if it remains isolated from the rest of the world."

Argentina is a powder keg of protest by unhappy savers and the growing ranks of poor and unemployed, who two months ago forced an elected President and his successor to resign.

Mr. Duhalde has a shaky grip on power, say analysts and bankers. Mr. Remes' open admission that IMF aid is essential breaks from the more nationalist tone of Mr. Duhalde, seen by some foreign investors as a throwback to the populist roots of his Peronist Party.

Mr. Remes said confidence could be restored if, in six months, unruly spending that pushed Argentina into default, is brought under control, spendthrift provinces are brought to heel and the now free-floating peso finds its feet.

But the old banking system would need reforms as it "had not avoided \$20 billion of deposits from leaving the system or having the highest interest rates in the world."

"It's clear it cannot work the way it is now. We have to re-create the habit of saving," he said. However, he did not detail the reforms planned.

Mr. Remes said there was "no trace today of hyperinflation," saying any rises "respected the cost of imported supplies." He ruled out price caps, saying the only tool he might use against inflation would be lowering tariffs to let in cheap imports. — AP, Reuters

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Sinking? *Central & Latin America*

THE MEDICINE is not only getting more bitter as the days roll by; but as the new Argentine Government is finding out, the cure does not seem to be around the corner. The biggest frustration in Buenos Aires is that in spite of a "tight" budget, none of the major actors who were supposed to be impressed seem to be acting that way.

And from the look of things, the cure does not seem to be on hand. In fact, there are those in the United States who are worried that Argentina is heading for a fall with the four-year recession showing little to no signs of ending.

The good intentions were in place, the Government of Eduardo Duhalde did come up with a plan to cut the deficit by about two-thirds. This was set to send the message of discipline and stability, which in turn was to pave the way

But the Bush administration did not lag too far behind, arguing that more needed to be done if the IMF programme was to be restarted. Right now, the Duhalde Government is looking for action from the international community and is painfully discovering that this is not going to be all that easy. The U.S., in saying that it is encouraged that Argentina is taking substantive steps to address the economic problems, is pointing out that

The fear is that Argentina, third largest economy in Latin America, is heading for a total collapse, writes Sridhar Krishnaswami.

without raising revenue themselves and hence wants them to be able to impose taxes.

The Duhalde regime is anxiously looking at the now stalled \$22-billion loan from the IMF and the only word from the financial institution is that it is "studying" the plans of the Argentine Government. In the meantime, Buenos Aires is losing patience. Local officials are telling the IMF to stop telling the people that they should accept "painful" policies.

Neither Mr. Duhalde nor any of his Cabinet colleagues is in a position to tell the people exactly what is in store for them. But there is no question that the country is between a rock and a hard place. On the one hand, Mr. Duhalde has to make sure that public anger at some of the "tough" and austere economic measures does not spill on to the streets. On the other hand,

The other has to do with a confrontation with Argentina's Supreme Court which ruled that the bank freeze, in place since December last year, was unconstitutional. Forced to do away with some of the restrictions that have brought about street riots, the Government is trying to hang on to a few curbs even while seeking to impress the working and the salaried class.

Mr. Duhalde is hanging tough, saying that despite the court ruling Argentinians should not expect immediate access to all their savings. For now, only the salary accounts have been rid of the restrictions. Earlier, as part of the tightening restrictions, the Government had placed a freeze on dollar deposits and placed a \$800 withdrawal cap on salary accounts.

If the U.S. and the IMF are sitting quiet on the sidelines for now, it is perhaps on account of expecting "more" from Buenos Aires. But not many are convinced that the worst is over; and the fear is that the third largest economy in Latin America is heading for a total collapse that will send shock waves in the region and elsewhere.

As it is, people are looking at the manufacturing sector and seeing where the recession has taken its toll. With a lack of creditworthiness, manufacturers have been unable to get funding for the import of raw materials forcing factories to shut down. The automobile sector has been especially hit not only because of a lack of overseas lending but due to the internal pinch as well — consumers having no access to their savings as a result of Government restrictions.

In the meantime, all eyes are on the foreign exchange markets that are due to open next week which will see the peso become a free-floating currency. For the first time in more than a decade, the one-to-one peg of the peso and the American dollar will be lifted; the recent dual exchange regime will also come to an end. The Government appears confident that it will tide through this phase citing that its hard currency reserves and expected trade surpluses will be more than sufficient to float the currency. That remains to be seen.



The chickens have come home to roost... the unemployed take

to the streets in Buenos Aires. Buenos Aires must begin restructuring some of its debts, now around \$140 billions. That is not all. The Bush administration is touching on a very sensitive political issue — Washington is concerned that Argentina's provinces are freely spending money

there is a growing disappointment that the international community, especially the chief aid givers, is not responding enough. That the Government's austerity measures have not been full appreciated is only one part of the official story.

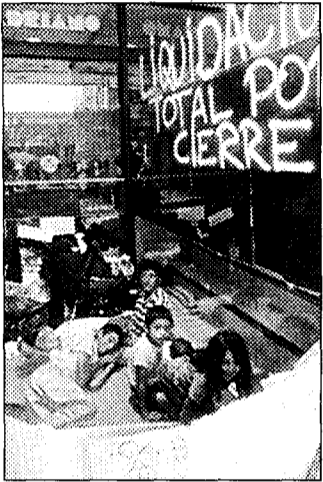
for the desperately needed international aid. And undoubtedly, the focus was on the response of the International Monetary Fund. "There should have been a stronger reply," an angry Argentine Economy Minister, Jorge Remes Lenicov, said.

Argentina inches closer to devaluation

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A family in their cardboard shelter outside a Buenos Aires' shop announcing a sale. (Reuters)

Buenos Aires, Jan. 6 (Reuters): Argentina's Congress today pushed closer to allowing a currency devaluation as its lower house approved sweeping powers for new President Eduardo Duhalde to overhaul the economy to turn around deepening recession.

In a marathon session that started yesterday afternoon, the government-dominated lower house passed an emergency Bill allowing Duhalde to scrap the peso's one-to-one peg to the US dollar and set a new rate.

The Senate is now due today to debate the Bill. The two houses of Congress are controlled by Duhalde's Peronist party and both chambers were expected to approve the Bill by the end of the day.

After taking office on Wednesday, Duhalde is in a race against the clock as Argentines chafe with the economy all but paralysed since December 21, when rioting and looting left 27 dead and toppled former President Fernando de la Rúa's government.

Medicines, including insulin, are running short and prices on staples like bread are rising as businesses hedge against devaluation. A \$1,000 monthly limit on cash withdrawals remains in place, reducing purchasing power to a trickle and infuriating many middle-class Argentines.

"They drugged us Argentines with convertibility (the dollar peg)," said Opposition lawmaker Gustavo Gutierrez. "This plan is about jumping off a cliff."

A 30 per cent devaluation studied by the government could wreak havoc on an economy built on 10 years of peso stability, in which 80 percent of loans are in dollars but wages are paid in pesos. But the government plans to soften the blow by allowing Argentines to pay dollar debts with pesos at a one-to-one parity.

A weekend poll by Aresco consultancy showed 52 per cent of Argentines "highly" in favor of Duhalde's economic plans and another 34 per cent giving a "medium" approval.

Congress chose Duhalde — a populist known for his support of big government spending and job programs — as the South American nation's president, filling the post that was left vacant amid a political crisis trig-

gered by the economic chaos.

The peg, introduced by Peronist President Carlos Menem, wiped out inflation of 5,000 per cent, but also made Argentina one of the most expensive places to do business. Companies folded, unemployment soared to nearly 20 percent and the middle class tumbled toward

the poverty line.

The tight household budgets signalled a meagre Three Kings Day today, when parents traditionally leave presents in their children's shoes.

"I bought books and CDs for my two kids, much less than what I'd like," said Monica Calvo, 40. "This is such a mess."

THE TELEGRAPH

- 7 JAN 2002

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Hard days

to Central & Latin America

IF ARGENTINA is heading for more trouble, that is not going to surprise many in that part of the world. The big question is how many other nations Argentina will take down with it as financial uncertainty and the potential for riots persist.

The distinct impression is that Argentinians will not be content merely banging pots and pans from the balconies of their homes.

And the populist Government of Eduardo Duhalde is hanging tough on some of the new economic measures which have been questioned overseas and which have led to renewed protests at home.

The immediate saving grace is that the streets are much quieter than about a month ago when deadly riots took the lives of nearly 30 persons and toppled a Government.

Since the exit of Fernando de la Rúa last month, the country saw a brief tenure of at least three other Presidents — two of them lasting hours — before settling for Mr. Duhalde.

The uncertainty is expected to last awhile for the Government in Buenos Aires has to calm its citizens who are genuinely worried about their money.

The latest showdown between the Government and the ordinary folk is about a set of draconian measures, including the freezing of bank accounts.

A nervous Government, which announced that all checking accounts over \$10,000 and savings accounts over \$5,000 would be turned into fixed deposits for at least one year, is making sure there are no panic withdrawals again.

Last December, over \$2 billion was withdrawn from banks in a single day. The people are incensed that further banking regulations are being added to the tough ones already in place. "We want our money and we want it now," seems to be the refrain in the streets.

The curbs on bank withdrawals or forcibly making accounts into fixed-term deposits are not the only things troubling the people.

Many are worried about the implications of the de-linking of the equal peg between the peso and the dollar and a general apprehension on what the real rate will be once the foreign exchange transactions — banned for the last three weeks — resume next week.



A soup kitchen in Buenos Aires.

The uncertainty in Argentina is expected to last a while for the Government has to calm its citizens who are worried about their money.
Sridhar Krishnaswami reports.

The Government has set the dollar rate at 1.40 to the peso for imports, exports and large-scale businesses in the hope that this will spur exports and bring in investments to revive a battered economy.

However, the peso is already trading at 1.6 to the dollar on the black market and financial analysts predict it will go to 2.70 to the dollar by year-end.

The fear then is of a natural rise in prices of imported goods.

Of course, there was an element of political theatrics thrown in.

The ruling Peronists offered to reduce seats in Parliament, both in the Lower House and in the Senate, and a 50 per cent cut in political appointments, with a view to sending the message at home and abroad

about the cuts the Government was willing to make. But no one is sure how much money will be saved on this account.

A drift towards the mess of the late 1980s when a devaluation triggered a disaster of sorts with runaway inflation and price hikes is a nightmarish scenario which no one even wants to think about. Argentinians wonder how long the Government can ask the businesses to keep the prices steady knowing fully well that prices of imports have in fact risen steadily.

The economic crisis and the ensuing social unrest has led to apprehension in the Americas, across the Atlantic and in the United States. The initial impression was that the rest of Latin America would remain unscathed.

That was until Brazilian bonds dropped by 0.7 per cent and its currency took a hit against the U.S. dollar.

Spain, with many large companies in Argentina, is watching, rather nervously, the unfolding situation, especially the changing economic rules. Madrid wants to discuss with the Duhalde Government the economic reform parameters.

The latter, however, has said it will not bow to any pressure. "We want to defend Argentine jobs and the Government will defend national interests without restrictions," the Chief of the Cabinet said.

The Bush administration is monitoring the situation carefully and at least one major auto maker has expressed fears about the impact of the crisis. General Motors Corporation — which has an assembly plant in Argentina — has said it will have to post lower earnings as the devaluation has brought down share prices.

Mr. Duhalde, however, feels the worst may be over. "We went down step by step: recession, depression, a pre-anarchic state, chaos.

The people got an enormous fright about 20-25 days ago when they saw that one step more was a bloodbath in Argentina," the President said.

But this confidence is not shared across the board, with some even taking the position that a continuing uncertainty could give ideas to the brass hats.

13 JAN 2002

THE HINDU

Argentina debates over peso devaluation

Buenos Aires, January 5

ARGENTINA'S CONGRESS began a debate on Saturday on a Bill giving the new president sweeping powers to reform the foreign exchange and banking systems and pave the way for a painful currency devaluation.

The Lower House will be the first to take up the Bill, which would allow new Peronist President Eduardo Duhalde to break the peso's peg to the US dollar in an attempt to end a four-year slump in Latin America's third largest economy that has already sparked food riots and huge street protests.

Since the Peronist Party dominates both houses of Congress, the bill will almost certainly pass. Debate had been scheduled to begin on Friday night but was delayed. "The debate was postponed until Saturday noon (1500 GMT) because the only thing we

got was a draft of the program," Peronist Deputy Miguel Angel Toma told Reuters.

Duhalde, the fifth President in just over two weeks after street protests and riots shook one of the wealthiest countries in Latin America, blames the peg for contributing to a slump that has already led to default on part of the government's \$141 billion public debt. Economists worried a devaluation could bankrupt millions as most Argentines earn pesos but hold debts — such as car loans and home mortgages — in dollars. However, the government planned to take steps to soften such a blow.

The Peronist government hopes devaluation will only be a short-term sacrifice for Argentina's 36 million people, eventually boosting growth by cutting labour costs and making exports cheaper.

Argentina's peso has been valued at parity with the U.S. dollar

since 1991. The peg was given credit for monetary stability, strong economic growth and low inflation during the 1990s.

There were few details available of the government's plans although some officials and local media said there would be a dual currency regime. The peso would be devalued to around 1.40 pesos to the dollar for foreign trade operations. It would be allowed to float freely in other sectors.

At the same time, dollar debts like car loans would be turned into pesos on a one-to-one basis and official price limits would be set on medicines and basic fuels to protect Argentines paid in pesos from the worst effects of devaluation. The bill gives the president power to reform the foreign exchange and banking systems and regulate prices of goods and services.

Eager to avoid the protests that caused President Fernando de la

Rua to resign last month midway through his term and three other presidents to quickly come and go, Duhalde has also promised to safeguard debtors and savers.

Economists are sceptical the measures will succeed because Argentines have lost confidence in banks and the new system is seen as open to corruption and vulnerable to a black market.

The new program is a reversal of the free market policies that made Argentina a darling of Wall Street. In Latin America, most countries have accepted a free-market focus with policies often encouraged by the United States. It could pit the government against foreign investors.

On Friday, many of the top foreign firms in Argentina met to discuss the government's aim to lock in prices in pesos rather than the dollars in their concession contracts.

Reuters

THE HINDUSTAN

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Duhalde announces populist policies

Central
Lolita

BUENOS AIRES, JAN. 4. Long before the economy here imploded, Eduardo Duhalde was preaching against what he called "exhausted" free-market economic ideas.

Mr. Duhalde's ascension as Argentina's fifth President in two weeks signifies that the country "leaves behind the free-market policies of the past decade and begins moving toward a model that is more protectionist and more inward-looking," said Martin Redrado, a leading economic consultant here. "That means a government more involved in the economy and more present in terms of regulations."

Mr. Duhalde is proposing a return to the populist policies championed decades ago by his political idol, Gen. Juan Domingo Peron. His embrace of the past comes at a moment when his weary country is receptive to political solutions that are at least familiar. But at a time when Argentina needs help from international lenders to fight its way out of a \$134 billion debt crisis, there are severe limits to how far Mr. Duhalde can go to reject global market economics and avoid unpopular measures to stave off collapse.

After Congress chose him as President late Tuesday night, Mr. Duhalde talked of an end to the policy that has made the Argentine peso and the U.S. dollar virtually interchangeable since 1991 by linking them together at a 1-to-1 rate. On Wednesday there were additional hints that a bruising devaluation was coming, as the Central Bank revoked regulations that required banks to accept payment in pesos for debts incurred in dollars.

Over a 30-year career, Mr. Duhalde, 60, has demonstrated that he is no stranger to patronage, operates well in smoky backrooms and is schooled in the top-down politics that made the Peronist Party Argentina's most formidable electoral machine. Eduardo Alberto Duhalde was born on October 5, 1941 in Lomas de Zamora, a Buenos Aires suburb where he still lives. After studying law, he began his public



The new Argentine President, Eduardo Duhalde, leaves the Government House in Buenos Aires on Friday on his way to explain his economic measures to the law-makers of his Peronist party. — AP

life in 1971 as a town councilman there and then served as Mayor before being elected to the Lower House of Congress in 1987.

More recently, as Governor of the province of Buenos Aires, which surrounds the capital and is home to more than a quarter of

the country's 36 million people, Mr. Duhalde had a mixed record. During eight years in office, he proved adept at keeping normally antagonistic social groups under the Peronist tent and also won praise for confronting police brutality and corruption. To win political support, though, Mr.

Duhalde also spent big and ran up large debts, which led to accusations of corruption against his government. As a result, the province was left virtually bankrupt when he left office in 1999, forcing his successor, Carlos Ruckauf, to begin paying provincial employees and suppliers last year with bonds that are not yet redeemable.

At least some of Mr. Duhalde's trusted associates from his days in the provinces appear to be ready to rejoin him in the central government. A prominent Peronist leader on Wednesday told reporters that Mr. Duhalde would appoint Jorge Remes Lenicov, who was his provincial chief of finances, as new Economy Minister, and there are reports that Mr. Ruckauf will become Foreign Minister.

But after the instability the country has lived through in the last month, Mr. Duhalde, a chess player and father of five, is welcomed as a known quantity, with a long track record and strengths and weaknesses that are no secret. Though Argentines are clearly demanding change, they also want to avoid any more unpleasant surprises, analysts say. "If we are dancing a tango, this is the part where we take a couple of steps back," said Mr. Felipe Noguera, a leading pollster and consultant here. Mr. Duhalde, he explained, "is not necessarily the man to lay the foundation for long-term prosperity, but he can pacify Argentina and give it a sense of stability, which does seem to make him a man for this moment."

Mr. Duhalde has already won praise and moved to differentiate himself from Adolfo Rodriguez Saa, the interim President who fell after a week in office, by promising to lead a broad-based "government of national salvation" that will include Opposition parties in his Cabinet. And instead of offending rivals by crowing about the Peronist return to power, as Rodriguez Saa did, on Wednesday he offered humility, sobriety and even a *mea culpa*. — *New York Times*

DON'T CRY ARGENTINA

A Victim Of Globalisation

By ASH NARAIN ROY

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With Adolfo Rodriguez Saa, new President of Argentina, announcing the suspension of payments on a \$132 billion foreign debt and Venezuelan President Hugo Chavez seeking to install a Cuban-style regime, Latin America seems to have revived an all-too-familiar spectre that the region's elite thought they had safely interred: that of the populist demagogue, the authoritarian manon horseback known as the Caudillo. Even though the new President has taken pains to clarify that suspension of the payment does not amount to a "rejection of foreign debt", the biggest ever sovereign default on debt by a nation, flaunted till recently by the IMF as a "success story", could have far-reaching consequences for the Latin American region.

By default

Saa is of course no Chavez. He has come to the presidency by default and he will lead Argentina only till 3 March 2002. But he is the member of the populist Peronist party, whose hallmarks have traditionally been statism and welfarism. It is of course Carlos Menem, former Argentine President, who turned Peronism on its head. He won with populist promises but governed with the recipes of right-wing marketeers.

Argentina's woes are well-known, though little understood. In the not too distant past its politics turned savage — a politics hardly benefiting the European airs the Argentines often give themselves. First Argentines sought economic gain from a vast apparatus of control and distribution that they called the state. They borrowed. They gambled. In the end they failed. Later, Argentina, under Menem, underwent a privatisation process which was painful. For a few years, the model seemed to have worked. The key to Argentina's success was the convertibility plan. The peso-dollar parity, the brainchild of finance minister Domingo Cavallo, not only stabilised the currency, it also stopped inflation, bought investor confidence, persuaded panicky Argentines to bring their fortunes back and fuelled five years of unprecedented economic growth.

Soon the Menem revolution turned sour, even more in the caste of those who were left out of the neo-liberal revolution. Argentina swallowed the bitter pill of privatisation, de-regulation and liberalisation of the economy. However, the economic paradise promised by the

The author is coordinator, international studies at the Institute of Social Sciences, New Delhi.

protagonists of market reforms through unlimited, uninhibited and inescapable global free trade proved illusory. When no sign of economic mitigation was visible for months, the backlash against market reforms turned ugly. Market reforms, the protagonists claimed, would lift all boats. But as the Argentine experience bears out, the boats of the rich have got bigger and those of the poor have been shrinking and sinking.

The violent food riots and protests over wage and pension cuts and other

The Peronists are likely to win next year's election. Menem is still trying to stage a comeback but he is discredited by his soap-opera style of politics and the stench of corruption. Many blame Menem's legacy of short-term and medium-term public debt for the present crisis. It is possible that the Peronists may disown Menem's legacy. The new government is now contemplating floating a third currency, Argentino, alongside peso and dollars. The apparent objective of such a move is to overcome the cho-



austerity measures which took a toll of over two dozen lives forced the ouster of President Fernando de la Rúa. His finance minister Domingo Cavallo, author of the "economic miracle", too was forced to quit. What sealed the fate of the de la Rúa government was its decision to implement strict currency control and restrictions on cash withdrawals. With Argentines taking their money out of the country, Central Bank's net reserves slumped rapidly.

Austerity steps

A time came when the government had no heart to impose any more austerity measures. The IMF could no longer be counted to bail the country out. A recession in its fourth year and an unemployment rate of 18.3 per cent may force the new regime to dollarise the economy, which could be worse. The two institutions that had credibility — the currency board and the Central Bank — have been weakened beyond repair by the current crisis.

king liquidity crunch. The government is not keen on currency devaluation. The populist move is oriented towards winning the March elections.

In a way Argentina is a victim of globalisation from above. The way globalisation has proceeded in the past one decade, it has only brought about a dramatic sharpening of social inequalities, increased polarisation and the growth of poverty in Latin America. Wealth and income gaps, already highest in the world in the 70s, widened dramatically in the 1980s, a decade of no growth and high inflation. This continued even with the resumption of growth in the 90s. There is an ardent demand for radical change in many parts of Latin America. It has given rise to a sweeping political movement led by Hugo Chavez of Venezuela which reflects the frustration and anger that many feel in the face of corruption and inequalities that have divided the Latin American society.

In the face of the onslaught of the new market-driven economic order, old and

new forms of resistance have spread throughout Latin America. Social movements of workers, peasants, students, indigenous and community associations of the urban poor and other sectors have burgeoned in Latin America. These social movements are organised into myriad popular organisations, ranging from the Landless Workers Movement in Brazil to a reorganised Lavalas movement in Haiti, peasant coca growers' unions in Bolivia, the Madres de Plaza de Mayo in Argentina, the Campesino Unity Committee in Guatemala, independent community-based trade unions in Mexico, to name only a few of the thousands.

Workers' struggles

The growth of indigenous struggles throughout Latin America is often intertwined with peasant and rural workers' struggles. In Bolivia, Peru, Colombia and elsewhere, public sector workers and the unemployed are increasingly taking to the roads. Their demands are broad and hardly new. They want more investment in depressed rural areas and in poverty alleviation. But the underlying message is more serious. It is an expression of exasperation with 15 years of structural adjustment, privatisation and free-market.

Where does Argentina go from here? Should the Argentine crisis be viewed as a crisis of globalisation or limits of neo-liberalism? Till the Asian crisis of 1997, Argentina and some Latin American economies were doing well. Like the two Mexican crises, in 1982 and 1994, which spread to most of Latin America, the Argentine crisis may undermine reforms elsewhere in the region. As Henry Kissinger maintains, "just as the reckless laissez faire capitalism of the 19th century spawned Marxism, so the indiscriminate globalisation may generate a worldwide assault on the very concept of free financial markets."

Political leaders may accept a certain degree of suffering for the sake of stabilising their economies, they can't survive as advocates of near permanent austerity. The Argentine crisis underlines the harsh fact that even well-established market economies and their protagonists can't afford to accept limitless suffering in the name of market. The collapse of the Argentine model and the serious economic crises in other countries have prompted echoes in some quarters of pre-globalisation, pre-reform arguments that Latin America and other emerging markets are either not ready, or else not suited, for liberal economic internationalism.

RE STATE

- 5 JAN 2002

Senator appointed Argentine President

By Sridhar Krishnaswami

WASHINGTON, JAN. 2. Argentina has picked the fifth President in two weeks as Mr. Eduardo Duhalde, a senior Senator from the Peronist Party, has settled into office for a period of two years. By a vote of 262 to 21 and with 18 abstentions, the legislature appointed Mr. Duhalde to finish the term vacated by Mr. Fernando de la Rúa who quit office on Dec. 20 amidst violent clashes that left at least 30 persons dead. Since then, there have been three Presidents.

The consensus has been that Argentina is in a mess and short of a national unity, Government matters are heading for the worse. Apparently, the Peronists and the Left parties have come to an understanding to come together with the specifics of political and economic policies to be announced later. "Argentina is bankrupt. Argentina is sunk. This model, in its agony, has dragged everyone down with it", Mr. Duhalde has been quoted as telling law makers.

With the country reeling under a \$ 135-billion foreign debt, Mr. Duhalde has taken the populist course of saying that he will be sticking to the earlier stance of not making debt repayments. Other than the suspension of the



The new Argentine President, Mr. Eduardo Duhalde, addresses the Congress after being sworn in, in Buenos Aires on Tuesday. (Right) Protesters bang pots and pans to demand elections immediately after Mr. Duhalde took office. The sign reads "Elections now". — Reuters

debt payments, it is not clear how Mr. Duhalde is going to take Argentina out of the mess it is in. "We need international understanding and cooperation", the new leader said.

One of the most urgent tasks on hand for the new Government is to deal with the strict banking regulations that have now been put in place, including limits on withdrawals. "The state won't allow depositors to be victims of the financial system", Mr. Duhalde re-

marked setting in motion new thinking on the restrictions that are in place.

Analysts believe Mr. Duhalde's call for international "understanding and cooperation" will, to a very large extent, depend on what the Government in Buenos Aires does in the next several days.

The interim Government of Mr. Adolfo Rodríguez Saa got off to an expected start only to falter within days in the face of determined po-

litical opposition and street battles. Mr. Rodríguez Saa quit blaming the political lobbies for standing in the way of genuine reforms needed in exceptional times.

Much of how Argentina bounces back will depend on how Mr. Duhalde and his economic team deal with the issues of debt restructuring and the currency crisis especially as it pertains to the relationship between the peso and the dollar.

THE HINDU

- 3 JAN 2002

Argentina bankrupt, says new President Duhalde



Leftists throw stones at supporters of President Eduardo Duhalde in Buenos Aires on Wednesday. — AP/PTI

Agence France-Press

Buenos Aires, Jan. 2. — Argentina's new President Mr. Eduardo Duhalde (the fifth in two weeks) has confirmed the country would defer payments on its \$132 billion public debt. Declaring the country as bankrupt, the President said the peso-dollar peg was as good as dead.

In his acceptance speech after the Congress elected him at the height of a deep economic and social crisis, Mr Duhalde also said he would form a government of national unity.

Mr Duhalde was elected with an overwhelming majority to serve as President for the remainder of the term of Mr Fernando de la Rúa, who resigned on 20 December.

The new Argentine leader pledged to bring in a new economic and social system, blaming the previous "models" for Argentina's spectacular collapse.

"The very essence of the (past) perverted model ended convertibility," he said.

"It pushed two million citizens into poverty, destroyed the

middle class, broke our industries and pulverised the work of Argentines," he said. The new President also made it clear he would not reverse the decision to suspend payments on the crippling public debt.

Mr Adolfo Rodriguez Saa, who took over from Mr De la Rúa but resigned on Sunday, had announced on 24 December that Argentina would defer interest and principal payments on the debt.

"We need the understanding and the cooperation of the international community," Mr Duhalde said. Painting a grim picture of the country's situation, he said: "Argentina is bankrupt and there is no money to pay the salaries and pensions that were owed by the state".

But he pledged that those Argentines who made deposits in dollars would be allowed to withdraw their savings in the same currency.

He promised to set the markers for a recovery of production and internal consumption as well as the promotion "of a more just distribution of wealth."

Central of Buenos Aires

Debate goes on in Argentina

Buenos Aires, January 1

A CONGRESSIONAL leader took over as the fourth President in two weeks as Argentina struggled with a deep economic and political crisis. Tempers flared earlier as angry Argentines lined up at banks and riot police cordoned off the Government palace.

House leader Eduardo Camano became the next in line of succession after Adolfo Rodriguez Saa ditched his week-old caretaker presidency on Sunday, complaining that powerful members of his Peronist Party had let his Government crumble as he tried to confront a devastating financial crisis.

Both Houses of Argentina's Congress met on Tuesday to usher in a New Year by choosing the country's second interim President in a little over a week, as popular unrest over a moribund economy and dirty politics hang heavy over the proceedings. By the time the joint session ends, politicians hope to have a consensus candidate to replace Rodriguez Saa.

A Peronist political leader, Buenos Aires provincial Senator Eduardo Duhalde, was heavily favoured by lawmakers to

take over as Interim President. Rodriguez Saa became Interim President on December 23, taking over from acting President Ramon Puerta, who filled in for 48 hours after elected President Fernando de la Rúa resigned.

De la Rúa was forced out amid protests and looting over the Government's inability to contain an economic crisis and unemployment topping 18 per cent.

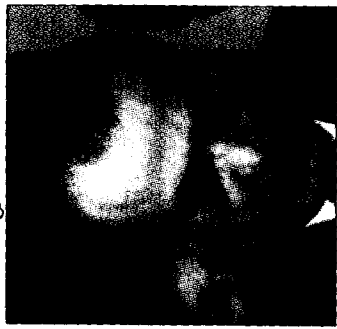
Rodriguez Saa took a leave of absence citing unspecified health reasons, authorities said. Lawmakers also signalled yesterday that they wanted to scrap the scheduled March election and let Duhalde complete de la Rúa's term ending in 2003.

Camano's position was more a formality while the Congress finds a permanent successor for Rodriguez Saa.

Military silent

Argentina's armed forces, once prone to military coups and brutal dictatorships, have remained on the sidelines of the nation's current economic and political crisis, deepened by the latest presidential resignation.

Discredited after the last dic-



EDUARDO CAMANO

tatorship from 1976-1983, the military has also been hurt by steep budget cuts, analysts said.

"There isn't even a minority faction" of the armed forces that would consider intervening in Argentina's current crisis that claimed the head of two Presidents in as many weeks, analyst Enrique Zuleta Puceiro said.

"Never have the armed forces been so sidelined from institutional life," he said, adding that it is partly by choice.

Zuleta Puceiro said after the September 11 attacks in the US, officials began debating the possibility that the armed forces here could take care of some aspects of internal security.

Agencies

Buenos Aires, January 1

FROM THE very beginning, the political cause known as Peronism has been a mix of contradictory elements—held together less by a single clearly defined ideology than by admiration for its powerful, charismatic founder and a remarkable deftness in obtaining and holding on to power.

Officially known as the Justicialist Party, the Peronist movement emerged in the waning days of World War II as an instrument for General Juan Perón and his wife, Eva Duarte, to mobilise "los descamisados," Argentina's "shirtless" working masses and their labour unions. "Evita" died in 1952, but her husband continued to rule the country until a coup in 1955 forced him into exile.

During the first decade in power, the Peróns pursued policies whose goal was said to be social justice. But General Perón himself had been an admirer of Italian Fascism and could be played off against the Left.

General Perón returned to

Charisma rules Peronism

power in 1973, but died a year later and was succeeded by his second wife, known as Isabelita. Her government, though, was marked by chaos and internal factional squabbling. She was overthrown in a military coup in 1976, which led to a brutal right-wing dictatorship.

Today's Peronist leaders continue to pay homage to the General and Evita. But when Carlos Saúl Menem led the party back to power in 1989, he put aside the party's traditional populist rhetoric and embarked on a series of free market reforms that broke with party principles without abandoning the use of patronage as a means of political control.

During a decade in office, Menem sold off state-owned companies and yoked the Argentine peso to the American dollar at a rate of one to one. But the populist strain still exists, as the now fallen Interim President Adolfo Rodriguez Saa made clear last week by trying to ally himself with labour unions and promising to create a million new jobs and double the minimum wage.

The New York Times

THE HINDUSTAN TIMES

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2 JAN 2002

Central &
Latin Am

Uncertainty grips Argentina again

By Sridhar Krishnaswami 11/1/02 16

WASHINGTON, DEC. 31. Argentina has been gripped by another round of uncertainty as the Interim President, Mr. Adolfo Rodriguez Saa, resigned after failing to garner support within his own party. Mr. Saa had taken office only a week ago, hoping to bring back some calm in the streets following the violence that erupted in the wake of economic chaos, leaving nearly 30 persons dead in clashes.

Mr. Saa has expressed nothing but bitterness after being literally forced to step down after failing to muster support within his own Peronist party. Critics of Mr. Saa are suggesting that just in a matter of days he was trying to pack the Government and other high posts with cronies and discredited persons of the past. "He called all the mafiosi and thieves from the previous Government", has been one refrain.

The political vacuum in Argentina is serious in the sense that the leader of the country's Senate has resigned from the post as he would be forced to take over the Presidency in the context of the latest goings on. That means the President of the lower House is now in the succession line. Argentina's Congress must then appoint an interim leader who will have to preside over elections within three months.

"The wolves and political lobbies running loose have not been able to understand the spirit of these new times" a bitter Mr. Saa said making the point that politicians and his detractors were expecting him to do things in seven days what has not been accomplished in the last 30 years. The trouble for Mr. Saa started when his attempts at building a loose coalition fell apart.

The key aspect of that coalition building had been the convening of a meeting of all provincial Governors to discuss not only the polit-

ical timetable but also the economic measures to bail the country out of the current mess. That meeting was boycotted by nine of the 14 Governors and Mr. Saa suspended the session.

Ten days ago, when a new Interim President came into office, he was widely applauded for the immediate steps that were taken including suspension of debt payments, austerity moves and using the debt payments to promote new social and economic programmes. But in a matter of days, Mr. Saa became unpopular.

Critics of Mr. Saa say that many of his appointments to key posts were persons tainted with corruption in the past; provincial Governors, most importantly Peronists, were angry that policies were put in place without consultation; and people were demanding that the Interim Government lift some of the austerity measures including a freeze on banking that limited withdrawals to \$ 1,000.