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TRADE AND ECONOMIC ISSUES:
G-7 JOBS SUMMIT, USTR REPORT, NEW $100 BILL, CARTAGENA MINISTERIAL

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FOREIGN MEDIA REACTION DAILY DIGEST USIA OFFICE OF RESEARCH AND MEDIA REACTION

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A number of recent economic, financial and monetary issues and events inspired observers from around the globe to weigh in with their assessments. Given the number of topics, however, the volume of available commentaries was quite low. U.S. economic and financial practices ellicted a mixed reaction in the press, ranging from cautious admiration to sharp criticism. Following are commentary highlights:

G-7 MEETING: A majority of opinionmakers in Europe and Malaysia agreed that the April 1-2

meeting of the G-7 ministers of economic affairs and labor in Lille, France--which convened to explore unemployment and labor problems in the seven industrialized countries--did not result in any "concrete" solutions. All media highlighted French President Chirac's call to opt for "a third path" somewhere between the American and European labor and social security systems. There was much discussion about the advantages and disadvantages of the U.S. and European systems. Several pundits advised the European nations to follow the British and U.S. leads of downsizing government assistance programs and encouraging greater "flexibility" in the job market.

USTR REPORT: The 1996 edition of the USTR's National Trade Estimate Report on Foreign Trade Barriers released Monday prompted complaints from a number of Asian commentators about the U.S. "hard-line stance" on trade. In Tokyo, top-circulation, moderate Yomiuri linked the U.S. position with the upcoming presidential elections and warned that it was not wise to harm U.S.-Japan trade relations. Australian writers resented U.S. allegations that their government had "officially sanctioned copyright piracy." Editors in Seoul, concerned that the "biased nature of the report" would be reflected in the final formation of official U.S. trade policy, urged South Korea to "go on the offensive."

NEW $100 BILL: Media in Britain, Belgium and China reported that the March 25 issuance of the new, technologically-improved U.S. $100 bill was designed to foil counterfeiting of the "most trusted of commodities." Observers noted that Washington had launched a largely successful publicity campaign to assuage public concern at home and abroad that the old bills would not be valid. London's conservative Daily Telegraph also emphasized, "It says much for the enduring strength of the American economy that changes in the design of dollar notes should cause such nervousness around the world."

CARTAGENA MINISTERIAL: Only Colombian editorialists weighed in on the March 18-21 Free Trade Area of the Americas Business Forum and Trade Ministerial, held in Cartagena, Colombia to explore building a free trade zone throughout the Americas by 2005. Most were positive about the meeting, although they also said there is much to be done before establishment of a definite timeframe for the free trade zone. Analysts asserted that the U.S. was, once again, the "most dynamic" and interested party on the issue of hemispheric integration. Some warned that Colombia should go into free trade zone partnership with its eyes open, because "the zone...would be much juicier in commercial terms for the United States than for the Latin American countries."

This survey is based on 49 reports from 13 countries, March15-April 4.

EDITOR: Diana McCaffrey and Pat McArdle

G-7 MINISTERIAL ON JOBS

EUROPE

FRANCE: "Bill Clinton's Social Conscience"

Economic Les Echos published an interview with Labor Secretary Robert Reich, commenting (4/3): "Across the Atlantic, Reich is the man who has thought the most about unemployment, globalization, and the means for preserving human and social values in a world without borders. He has been Clinton's social conscience.... In Lille, he worked for building a consensus between the United States and Europe. With success, since positions came much closer and a real entente on the problems emerged between Reich and his French and German counterparts."

"Adapt To Globalization Of The Economy"

TV France 2's special envoy to Lille said (4/2), "The G-7 members know that the globalization of the economy is inevitable. But workers will have to adapt themselves."

"Not Everybody Is Bill Clinton"

Gilles Bresson and Olivier Costemalle filed from Lille in influential Liberation (4/2), "Not everybody is Bill Clinton. And Lille is not Detroit. The G-7 summit that opened in Lille yesterday did not attract the Seven countries' finance ministers. While all of them went to Detroit, two years ago, invited by President Clinton, this time they did not think it was necessary for them to come.... Unlike finance ministers' G-7 meetings, the jobs summits have no great influence on economic policies in the member countries. No concrete measures are expected from the Lille meeting."

"Need To Change The World"

Antoine-Pierre Mariano wrote in conservative Le Figaro (4/2), "If (growing unemployment) persists, the situation will become explosive.... It is time to abolish the law of the jungle and to do a global house cleaning: First, international trade.... Then, social issues: the international community does not have the means to impose social rules on those countries which do not respect the elementary rights of workers. But it could pressure them, for instance by refusing to trade with them.... Finally, currencies: Countries should not be able to manipulate exchange rates to commercial advantage. The most scandalous case in that regard involves the dollar, which has been fluctuating according to U.S. interests, since 1971. Hence the need to balance it with a European currency. In fact, to save jobs, it is necessary to change the world."

"No Enthusiastic Reaction"

Marc Deger wrote in financial La Tribune (4/2), "Jacques Chirac's statements (about a third path) created no enthusiasm. The Anglo-Saxon delegations did not conceal their skepticism and argued that job 'flexibility' was the best remedy against unemployment." "EU Countries Should Be United"

Herve Favre wrote in regional La Voix du Nord (4/2), "(Jacques Chirac's plea in favor of social issues) would be more convincing if European countries spoke with a single voice. Such is not the case, with Britain resolutely distancing itself from the European social charter and Germany's lukewarm support for Jacques Chirac's recent plea on the matter."

"Meager Record"

Paul Burel noted in regional Ouest France (4/2), "The record of the Lille Conference is as yet meager...non-binding nice rhetoric, different analyses, no concrete follow-up."

"Chirac: Correct Diagnosis"

Jacques Guyon wrote in regional La Charente Libre (4/2), "One should expect neither solutions nor remedies from the Lille summit. However, it would be unfair not to recognize that Jacques Chirac has made the correct diagnosis about our modern societies."

"Don't Talk About Money"

In Communist L'Humanite (4/1), Christophe Deroubaix commented on the absence of finance ministers, "The message, issued by the world's biggest powers--starting with the United States, Japan and Germany, i.e., the countries most involved in the global economic warfare--is clear: Talk about jobs? Why not. Talk about money and its use? No."

GERMANY: "Political Dwarves"

Left-of-center Die Tageszeitung said (4/3), "One third of the global population of working age is jobless. And this tendency has been on the rise for more than 20 years. Are there any solutions? Not in sight. This subject is everything else but unimportant at international summits. But the two-day meeting...in Lille was not an adequate answer to the problem.... The ministers did not develop common steps, common conclusions, and common projects.... In Lille, the G-7 again demonstrated that they are only political dwarves. The participating countries defended their political sovereignty, their peculiarities and sensitivities and thus continued the special tradition of the G-7: Global trade should develop unrestrictedly, while 'social matters' are left to self-regulation."

"Result: Nothing"

Centrist Sueddeutsche Zeitung of Munich commented editorially (4/2), "What is the result of all these conferences on jobs? Of course, nothing. The path to more jobs has been clearly designated on all maps and all participants in these talks know it. In international politics style is increasingly replacing substance."

"It Will Take Much To Find The 'Third Path'"

Emil Boelte argued in centrist General-Anzeiger of Bonn (4/2), "In the seven richest nations of the world, 23 million people are jobless. "Italy and France are suffering, but in Germany, the situation is getting precarious, too. What the United States and Great Britain create with low-income jobs is not an acceptable ideal for the socially progressive states in Central and Western Europe. If there were Chirac's 'third path,' some people would certainly get out of their problems. It will take great effort to find this third path, and it will require not one but many alliances, not only in Germany, but in France, too, the first are being forged at the lowest level, but this does not yet create too much hope."

"Non-Committal Chatter"

Andreas Mihm opined in left-of-center Berliner Zeitung (4/2), "Neither this meeting nor the global economic summit in June will find a way out of the problems of unemployment. This conference in Lille is nothing but non-committal chatter. The conference does not even plan concrete goals, since traditions and mentalities in the participating countries are too different. For the Americans, the social state is a horror, while the Europeans show little understanding of the U.S. system of hire and fire. Chirac is now recommending the 'third path.' According to the current situation and the latest developments in the unemployment figures, this 'thrid path' is mainly directed at the Europeans. This includes an abolition of red tape in the labor market and a reform of the social state. This insight is not new, but nobody expected new things to come from the meeting in Lille."

BRITAIN: "Labor Standards 'Must Be Included In Growth Strategy'"

The independent Financial Times said (4/3), "The G-7 leading industrialized nations yesterday agreed that the enhancement of core labor standards was necessary in any global strategy for economic growth. The agreed communique ending the G-7 economy and labor ministers' two-day conference...was only reached after many hours of intense behind-the-scenes discussion and was seen as a setback for the views of several participants, notably Japan, Germany, the UK and Canada. They had expressed opposition to any reference to labor standards in the document emerging from the conference. But the UK government said last night the outcome could have been much worse from its point of view.... Mr. Robert Reich...made clear yesterday that the United States intends to press hard on the (labor standards) issue in the WTO. He said it was 'a proper forum for a

discussion' of labor standards that cover trade union freedoms and that prevent the employment of children and ban forced labor."

"Political Jobbery"

The conservative Times editorialized (4/2), "With French unemployment stuck at 11.8 per cent, President Chirac has used France's position as host to the G-7 this year to summon G-7 finance and employment ministers to Lille, an unemployment black spot, to talk about jobs and growth. France's finance minister naturally turned up; the rest sent their excuses, and their deputies. For Martine Aubry, the daughter of Jacques Delors who is now Lille's socialist deputy mayor, their absence is an insult to the 23 million unemployed citizens of these countries. A more plausible explanation is that this was a tacit majority vote for the proposition that the best route to creating jobs is less, not more, government spending.... "In only one respect would they have done better to have traveled to Lille: They could have hit Jacques Santer's demand for a European 'confidence pact' on jobs firmly and publicly on the head. This is Mr. Santer's big idea, and just how bad an idea it is emerged clearly from his speech at Lille.... He insists that those who find it difficult to adapt to change and global competition must on no account experience 'greater insecurity in their living and working conditions and their incomes.'

"This last argument is the exact opposite of what Europe's politicians should be preparing their public opinion to face. Europe needs far more flexible labor markets if it is to begin to halve its unemployment, to the 5.5 per cent prevailing in America. Inescapably, that means cuts in welfare protection, non-wage labor costs and job protection regulations which deter employers from taking on workers they will not be able to dismiss.

"Since all such reforms will be horribly unpopular, governments naturally prefer to dream out loud about 'backing' the high-tech jobs of the future and to hold out training, training and yet more training as the key to the promised land. They would be better employed asking how best to reduce the social costs of the deregulation they know must come, as the wages of the least skilled--who have their own continuing roles in the labor market--are driven down by global competition.

"Since the 1994 G-7 jobs summit in Detroit, most European dole queues have grown. But outside Britain, its leaders still hope not to have to choose between worker protection and job creation. Mr. Chirac appeals wistfully for a 'third way' between America's harsh but efficient world of work and Europe's cushioned workers. Germany's Gunther Rexrodt rejects the U.S. 'hire and fire mentality' but pleads with workers to accept 'downward flexibility of wages' in tough times. Markets will not wait for politicians to find the philosopher's stone. That should, but will not be, the word from Lille."

"Paucity Of Good Ideas At Job Summit"

The centrist Independent held (4/2), "The trick a politician must pull hoping to command the mid-90s is already clear: to combine a belief in markets and competition with a commitment to provide people with a sense of security and well-being. That is the context for the G-7 jobs summit that ends today in Lille, France. The paucity of good ideas has been exposed already by the descent of the debate into a ritualized clash of two false armies, the deregulated approach of Britain and the United States, against the regulated approach of continental Europe. Neither provides the answers we are looking for.

"The Anglo-Saxon model of deregulated labor markets has a much better record for creating jobs than Germany or France, where unemployment is likely to rise even further in the next few years as they cut public spending to squeeze their economies into the straitjacket imposed by EMU.

"That does not mean our approach is without flaws. Indeed, they are all too obvious. The jobs we create are invariably too low quality: low skill, poorly-paid jobs, often in the service sector. "This is in large part a reflection of our disastrous record in education and training, which lags far behind that of Germany and France.... This is the trick, to combine Britain's entrepreneurial culture and service-based economy with measures of security that do not rely on heavy-handed state intervention or regulation. Either the (UK) conservatives or the Labor Party could pull off this trick. Both are trying. They are still a long way from succeeding."

BELGIUM: "The Big Flop"

Jean-Francois Lanckmans observed in independent Le Soir (4/3), "The planet today consists of the America-Japan-Europe triad. By boycotting the Lille meeting, the ministers of finance of the Seven proclaimed it to the world: Employment, for the G-7, is the smallest common denominator. It is not surprising that the Seven have nothing concrete to propose to put an end to the unemployment stalemate which is primarily a European problem.... Japan has offered to organize the next special G-7 on employment which will take place in one year or two. After the United States (Detroit, 1994) and Europe (Lille 1996), there will be a huge media ceremony in Japan on employment. Why?"

"Not Much Hope After Summit"

Benedicte Vaes commented in independent Le Soir (4/2), "The G-7 countries only have a disastrous heritage to share: a growth deficit. But this shortcoming is reflected differently according to their 'two models.' In the United States, it breaks salaries or decreases growth. Unemployment only affects 5 percent of Americans, but 30 million fully employed wage-earners have incomes below the poverty line.

"In Europe, it causes persistent unemployment with 18 million victims. Is one model preferable to the other? Robert Reich, Clinton's 'guru' offered the answer. 'Declining salaries or high unemployment are equally detrimental to society. It is vital to maintain social cohesion.... But the third way defined in Lille represents tightrope walking between Anglo-Saxon deregulation and deliberate reduction of inequalities....

"But the G-7's final communique should not bring much hope. Almost all finance ministers were absent from this summit which was supposed to reconcile the economic and social fields. And the social clause aiming at regulating trade has been rejected."

"Some Reassuring Language"

In a front-page article, independent Catholic De Standaard concluded (4/1), "The summit is not starting under a good constellation: Five of the seven ministers of finance will be absent. The meeting in Lille comes two years after the first summit on employment in Detroit. Detroit was not able to turn the tide. After that (summit), employment went downhill even faster.... The G-7 summit, without the finance ministers, can yield little more than some reassuring language with which the United States, Germany, Japan, Italy, France, Great Britain and Canada will be able to soothe public opinion for some time."

THE NETHERLANDS: "Non-Committal Concluding Statement"

Influential NRC Handelsblad commented (4/4), "The U.S. economy created as many jobs in the last six years as the European economies lost. In contrast with the American job growth, there are growing concerns about stagnating incomes, the necessity of two incomes to maintain a standard of living, and the easy way in which people are fired.... The United States and European countries

could only agree to a non-committal concluding statement. Summits do not create jobs, even though they can provide social-economic direction with which employment can be encouraged.... Europe has a problem with creating jobs and it is about time to recognize this. The EU threatens to resolve unemployment with more social regulations, but if in a few years they start introducing the common currency---the flexibility of the exchange rate will disappear--a flexibility of the labor markets and reducing social costs will become more urgent. Otherwise Europe will be stuck with hard currency, a reduced social net, and no work."

MALAYSIA: "A Move To Export A Crisis?"

The government-influenced, financial Business Times noted (4/4), "About 22 million people in the G-7 countries--the populations of Malaysia and Singapore combined--are today without jobs and surviving, mostly barely, on their governments' welfare support schemes. Not a crisis yet, President Jacques Chirac from France declared this week at the G-7's second jobs summit.... Chirac must have found the situation serious enough, anyhow, or he would not have called on the G-7 to seek a 'third path' between 'unbridled free-market economies and interventionist policies' to get the 22 million Americans, Japanese, Germans, Canadians, Italians, Britons, and French their jobs back.... The G-7's so-called 'third path' may or may not have a bearing on us, but it will not hurt to keep an eye open to developments over the next few weeks or months. There had been attempts at safeguarding jobs in the West that would have been at the expense of jobs here. The social clause issue, human rights and the environment, product labelling, and various other barriers would hurt our economy, which in turn would affect jobs. Already, Washington has taken the first step to establish a hit list of 'countries with the most harmful barriers against U.S. companies,' supposedly to safeguard American workers. So, if 22 million people being jobless is not a crisis for the G-7, as Chirac has declared, it could mean the crisis is being moved elsewhere."

USTR'S NATIONAL TRADE ESTIMATE REPORT ON FOREIGN TRADE BARRIERS

EAST ASIA

JAPAN: "U.S. Should Take Advantage Of Negotiations With Japan"

Top-circulation, moderate Yomiuri (4/3) commented, "With this fall's presidential election looming large, the Clinton administration appears to have begun a hard-line stance toward Japan on individual trade issues. The USTR has issued a trade report in which it singled out three economic and trade issues, including semiconductors, which the report says the United States and Japan should resolve. "For the first time, the report listed rice, telecommunications and music recordings as Japanese trade barriers. It is not wise, however, for the U.S. administration to take a hard-line stance toward Japan simply because of the approaching presidential election. Doing so would not only harm U.S.-Japan trade relations but also shake diplomatic and other ties between the two countries. The U.S.-Japan trade imbalance is gradually being rectified because of increasing U.S. auto and other exports to Japan since the settlement of auto trade talks last summer. The air cargo issue has also been settled. Therefore, the two nations, based on these recent achievements, should and can continue their efforts to rectify the trade imbalance."

AUSTRALIA: "U.S. Accuses Us Of Copyright Piracy"

The Washington correspondent for the national, conservative Australian said (4/3), "The Clinton administration has accused the [Australian] federal government of breaking Australian laws by showing Hollywood films to prisoners and navy personnel without proper authorization.... Another dispute (is) over the way Australia protects the intellectual assets of foreign firms centered on the pharmaceutical industry, with Washington complaining for the second straight year about the way

Canberra handles applications for marketing approval.... The Americans also toughened the language of their long-standing complaints about the safety standards and veterinary tests which keeps many foreign farm goods out of Australia. For the first time the USTR called Australian veterinary restrictions on U.S. poultry products 'questionable' and referred to the 'alleged' health concerns which stop imports of all fresh, chilled and frozen salmon."

"U.S. To Move Against Australia's 'Trade Barriers'"

The national, business-oriented Australian Financial Review held (4/3), "The new (USTR) trade policy document...highlights the importance which the United States will place this year on multilateral talks on telecommunications and intellectual property protection.... The United States warns in the report that it will not hesitate to take action against countries which it considers are not complying with the Agreement on Trade-Relations Aspects of Intellectual Property Rights. World Trade Organization (WTO) negotiations on telecommunications are now occurring in Geneva, with Washington keen to see Europe and Japan provide further opportunities for U.S. market access. Washington also wants Canberra to improve the offer which it has made in these WTO talks, keen to see unlimited foreign access to Australia's telecommunications market."

HONG KONG: "IPR Piracy"

A sampling of headlines over straight news articles on the USTR report in (4/3) Hong Press follows: "U.S.'s trade representative issues report; acknowledges that intellectual property piracy [occurs] in Hong Kong"--leading pro-PRC Ta Kung Pao; "Piracy of intellectual property; Hong Kong has comprehensive law"--Pro-PRC Wen Wei Po; "Foreign merchants assist China in counterfeiting; the U.S. Blacklists China, Taiwan and Hong Kong"--independent Ming Pao Daily News; "The U.S. accuses Hong Kong of not making efforts to protect intellectual property, Trade and Industry Branch asks for evidence"--Hong Kong Economic Times. SINGAPORE: "U.S. Report Cites China, Japan For Trade Barriers"

The pro-government Business Times said (4/3), "The Clinton administration says that China and Japan as well as other Asian economies continue to maintain barriers to foreign trade that are hurting American exporters and investors in that region. In a 349-page report, The 1996 National Trade Estimate Report On Foreign Trade Barriers (NTE), submitted by the U.S. Trade Representative to Congress, the administration describes China as 'highly protectionist.'... The report praises Singapore for taking 'concrete measures to improve its level of intellectual property protection and strengthen enforcement.... While the NTE report says that Singapore continues to 'take an active stance in protection of computer software', it suggests that 1995 saw an upsurge of pirated CD Roms entering the country from China."

SOUTH KOREA: "Multinational Mechanisms, Better Than Trade Disputes"

An editorial in conservative, influential Chosun Ilbo maintained (4/4), "We have been doing what we can to deregulate our markets, but the United States says it hasn't been enough. Its judgment, we believe, is largely base on 'partial' complaints by American businesses. Equipped iwth unfair sets of documents, Washington is now heading for unwarranted trade disputes. Among the key items questioned in the report are our automobile tariffs and intellectual property rights proctection. We have been serious about making progress in these two areas, and we belive we actually have made enough progress. TV commercials and the ratio of foreign movies are also an issue. Since these areas involve the question of preserving social cohesion, they ought to be dealt with differently than regular trade issues. It may well be better to try to settle all these trade conflicts through multinational mechanisms, such as the WTO, instead of through bilateral channels."

"Trade Pressure: Be Prepared"

Pro-business Joon-Ang Ilbo editorialzed (4/4), "It should in the annual report that the United States is now focusing on telecommunications and intellectual property rights protection. Our makets in these areas are still fragile, but we cannot afford to lose them to the United States. The truth, however, is that we just cannot go on with our dooor closed. The way is to open up our markets and strengthen our competitiveness."

"Ripples Spreading In ROK-U.S. Trade Dispute"

Conservative Segye Ilbo's editorial asserted (4/3), "Every country's tax system is part of its sovereignty and should not be interfered with by the USTR. The USTR annual report, however, talks about that issue. We are also concerned that the biased nature of the report will be reflected in the final formation of official U.S. trade policy. The report also talks about such issues as TV commercials for foreign-made goods and the ratio of imported movies. In the last round the United States failed to settle disputes over those particular issues because of French objections. Washington should resolve these problems with France before it seeks any settlement with other countries." "ROK Trade Policy Should Go On The Offensive"

Government-owned Seoul Shinmun maintained (4/3), "The USTR report sends warning signals that Washington's trade pressure will continue. The news comes as no surprise. Now we wonder why we heed U.S. complaints at all. In dealing with Washington, the usual practice is to be defensive and eventually concede to U.S. demands. As a result, a wrong impression has been formed that pressure on Korea opens its market. It should be noted once again that Korea is now an import-oriented country, with last year's deficit with the United States reaching $6 billion. We should be more confident of ourselves and go on the offensive."

NEW LOOK FOR U.S. $100 BILL

BRITAIN: "Strength Of The Greenback"

Under the headline above, the conservative Daily Telegraph commented editorially (3/26), "It says much for the enduring strength of the American economy that changes in the design of dollar notes should cause such nervousness around the world. The dollar is hoarded in countries such as Russia, where erratic policy has debauched the money in people's pockets.... More important, it oils the wheels of international trade and provides a benchmark, from the Far East to Latin America, of the soundness of local currencies. It is small wonder that the redesigning of this most trusted of commodities, the first since 1929, should cause people to worry about their holdings....

"The United States may be assailed for imperialism, whether military, economic or cultural. Its critics should pause to remember that its strength derives from a sound currency, based on enlightened economic direction; and that that in turn depends on an open society whose powers of regeneration are second to none. Holders of dollars--or their counterparts--acknowledge that truth, whether explicitly or not."

BELGIUM: "850 Million New $100 Bills"

Conservative Catholic Gazet van Antwerpern said (3/29), "The new $100 bill was presented officially yesterday. The best known and most counterfeited bank note in the world keeps its green color and picture of Benjamin Franklin. The major innovations are novelties used in Belgium for a long time already to obstruct counterfeiting, including a watermark! Eight-hundred and fifty millionn 'greenbacks' have been printed already, i.e., one-third of the total number of $100 bills. The old

notes will remain valid and they will be withdrawn from the market systematically."

"New Bill Should Make Counterfeitting Virtually Impossible"

BRTN TV ran a filmed report on the U.S. media campaign in Russia to explain the introduction of the new $100 bill (3/28), "The bill, which should make counterfeiting virtually impossible, arrived in Moscow early this week but only today, Russian banks and exchange offices are offering the novelty to their clients by driblets. But interest is not overwhelming. Consequently, there has not been much of an assault visible in most banks and exchange offices. The major information campaign on TV and in newspapers has been successful. "The American ambassador and the president of Russia's national bank had to convince the Russians that their old $100 bills remain valid. There has been no fear or panic, like four years ago when the old ruble bills became worthless overnight. Russian consumers are patiently awaiting the arrival of the new bill. Recent events strongly shocked their confidence in their own currency, the ruble. The greenback remains popular--with either the new Franklin or the old one. In recent years, the government attempted to push back the role of the dollar in the Russian economy. Even when prices in shops are expressed in dollars, people have to pay in rubles. But for consumers, the dollar remains the king."

"Important To Let World Know Old Bills Remain Valid"

New York correspondent Lucas Ligtenberg observed in independent Catholic De Standaard (3/26), "It is important to that the old bill remain valid. This American tradition may be well-known at home, but outside the country, many people think that the old bills will become worthless.... Therefore, a campaign is necessary in Russia because that country has practically taken over the dollar as its official currency."

CHINA: "New U.S. $100 Bill"

Li Zhengxin wrote in the official Communist Youth League China Youth Daily (4/3), "The reason why the U.S. government is paying such attention to curbing counterfeiting is because large-scale counterfeiting will make foreigners lose confidence that the U.S. dollar is the world's safest investment and deposit currency. This would be a heavy blow to the U.S. economy. The U.S. government has launched a large-scale publicity campaign to introduce the new $100 bill to the publicv. The Treasury Department has spent more than $30 million and hired a private public relations firm to handle the worldwide publicity campaign. The organizers hope that the campaign will enable the public to identify the special features of the new bill, will help to control the spread of counterfeit U.S. dollars, and ultimately, will enhance people's confidence in the U.S. dollar."

"U.S. Combatting Counterfeitting"

The official state Science and Technology Commission Science and Technology Daily commented (3/28), "The United States has been affected by the serious problem of a large amount of fake dollars circulating in the country, similar to China's problem with counterfeiting of its currency. According to the Treasury Deparment, 1.1 percent of all U.S. currency in global circulation is counterfeit. Most of these notes are $100 bills. Since Bretton Woods, the U.S. dollar has been a foundation of the U.S. position as a global superpower and leader of the West. It is no exaggeration to say that when faith and confidence in the dollar is shaken, so, too, is confidence in the economic and political leadership of the United States.... The redesign of the new $100 bill is the first major change in the U.S. paper currency since 1929. Some U.S. officials believe that the potential for counterfeitting the $100 bill will almost disappear in the next few years because of these changes."

CARTAGENA SUMMIT

LATIN AMERICA

COLOMBIA: "Faith In The Future"

German Arciniegas wrote in leading, Liberal Party-oriented El Tiempo (3/25), "The assembly that met in Cartagena, with businessmen from all of the Americas, shows the faith that they have in our future, and it reminds us of the formation itself of what later came to be the United States of America. An industrial world is slowly rising, expanding throughout the continent.... Our America is the biggest consumption market that the northern U.S. industries have. Now that our own things are starting to be industrialized and factories are being constructed from Mexico to Argentina and Chile, it's not hard to foresee a development that will rapidly grow until it goves more consistency to the world that is south of the Rio Grande."

"Positive Aspects"

Vespasiano Jaramillo observed in economic La Republica (3/24), "The United States' attitude toward the hemispheric process, which is taking its first steps, is truly interesting. The United States accepted, among other things, the compatibility of the integration processes for the free trade zone of the Americas. Maybe there won't be long lines to enter the NAFTA anymore, or perhaps the Americans themselves think that this delay brings more trouble and bigger individual costs in the negotiations."

"Little Progress, But Confidence Grew"

El Tiempo observed (3/22), "Although there was little progress made in terms of the integration agenda, the confidence in the process grew. Next year will be key for the launching of free trade in the Americas."

"Important, Historic Summit"

La Republica commented (3/19), "The Summit of the Americas currently taking place in Cartagena is important not only because of the issues to be discussed and the goals proposed, but also because of the level itself of the participants. Among whom we can highlight--just to mention a few--the U.S. secretary of commerce, the secretary general of the OAS, and the chairman of the WTO, in addition to the high officials who represent the different countries of the continent. It is without a doubt an historic meeting."

"U.S. Shows Most Dynamism, Interest"

Former Minister of Trade and presidential hopeful Juan Manuel Santos wrote in El Tiempo (3/15), "Colombia, as the host country [for the Cartagena ministerial], had the responsibility of coordinating the drafting of the document that would be used as the basis for the final declaration of the summit. The draft that was presented by the Colombian authorities was rather poor. It didn't include and important advance regarding what had been decided at the last meeing in Denver last year....

"The American delegation was the one that once again, like it did in Denver, wanted to put in more dynamism to the process. It proposed the following steps: 1) set precise dates for the beginning of negotiations; 2) determine the paths that must be folled in order to achieve a free trade zone; 3) define the participation of the private sector in the process; and 4); establish how this agreement would fit into the parameters of the WTO. It's quite a paradox that the United States is the one that is showing the most enthusiasm.... Because at this time, it is the United States that's in a frantic protectionist mode--one that we haven't seen since the Great Depression."

"Be Optimistic, But Do Not Be Blind On Free Trade Zone"

Jorge Mendez wrote in second-leading, Liberal Party-oriented El Espectador (3/15), "We must look at the free trade zone with highly optimistic expectations. However, our countries must go into this enterprise blindly.... In reality, the zone, as it has been presented until now, would be much juicier in commercial terms for the United States than for the Latin American countries. The United States would see open in its favor markets that had been relatively protected up to now, while the probable reduction of tariffs from the United States will be marginal at best. The average tariff in the United States is 6 percent, while in Latin America it goes up to 14 percent."

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