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CHALLENGES TO HEMISPHERIC DEMOCRACY: ELECTIONS, COUPS AND INSTABILITY

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BEFORE THE

SUBCOMMITTEE ON
THE WESTERN HEMISPHERE

OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
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CHALLENGES TO HEMISPHERIC DEMOCRACY: ELECTIONS, COUPS AND INSTABILITY

Wednesday, June 14, 2000

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON WESTERN HEMISPHERE,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:13 p.m. in room 2172, Rayburn House Office Building, Hon. Elton Gallegly (Chairman of the Subcommittee) presiding.

Mr. GALLEGLY. We will now go into the hearing. If the witnesses would please come forward.

The purpose of our hearing today is to examine recent and forthcoming events in several Latin American and Caribbean nations to analyze how these events have or could impact democratic gains and the overall political stability in the region. For more than a decade, Western Hemisphere political analysts and academic experts have pointed with optimism to the continued growth and strengthening of democracy in Latin America and in the Caribbean. The focal point of the hemisphere's success story thus far has been the number of free, fair and transparent elections which have taken place at all levels of government over this period. Up until recently, most elections in the region have been very successful. Yet, most know that elections alone do not make a strong democracy. Other elements such as well-organized civil societies, independent judiciaries, a free press, active political parties and militaries willing to subordinate themselves to the elected civilian authority, are all required before any nation can truly be defined as a strong modern democracy.

Today, the glitter of progress is beginning to tarnish in some parts of the region as electoral processes have broken down, such as in Haiti and Peru, where new patterns of populist authoritarianism seem to be emerging, such as in Venezuela and Peru, and where restless militaries, twice in the past 6 months, in Ecuador and Paraguay, have staged unsuccessful coups d'etat. This is not to say that all parts of the hemisphere are taking steps backward. We hope these may be only one-time temporary setbacks.

But recent events in several countries in the region, coupled with the inability of economic reforms initiated earlier in the decade to adequately address pressing social problems, have cast a dark cloud over the democratization of parts of the region.

Today, the Subcommittee has asked the Department of State to review these particular issues with us and to assess whether these events can justify criticism that Latin democracy is in decay. We

have also asked the Department to provide an update on the current counternarcotics situation in Colombia.

[The prepared statement of Mr. Gallegly appears in the appendix.]

Mr. GALLEGLY. Before we go to the witnesses, are there any Members—I see the Chairman of our Full Committee, the gentleman from New York, who would like to make an opening statement.

Mr. GILMAN. Thank you for allowing me to make a statement. I want to thank you for scheduling this important hearing.

The wave of democracy in our hemisphere has crested. Now to finish the metaphor, the breakers are starting to roll toward shore. I am pleased that Ambassador Gutierrez is here to give us his insights. Attempted coups in Paraguay and political violence and manipulated elections in Haiti are recurring problems. Both countries are emerging as major centers of narcotics-related criminal activity. The Haitian government is becoming an increasingly repressive narco-state.

The initial hopes that surrounded the May 21st elections in Haiti sadly have been eclipsed. This flawed electoral process has seen among other improprieties, political killings, the use of a politicized Haitian national police force to arrest and intimidate opposition politicians, the manipulation of supposedly independent electoral council by the government and the ruling Lavalas Family Party and falsification of election results.

The government of Haiti has been given massive resources and every benefit of the doubt by the international community. It is time to stop applying a double standard to Haiti.

Central America is also witnessing increasing tensions over border disputes that could yet break into open conflict. In Nicaragua, there are persistent troubling reports of official political corruption and abuses of authority.

The Andean region is in turmoil. The situation in Colombia is deteriorating by the minute. The production of illegal drugs in Colombia and the violence that these drugs fuel are out of control.

Just yesterday we learned that Colombian National Police director General Rosso Jose Serrano announced his retirement. We know General Serrano has been a true Colombian patriot. Our Nation owes him a great debt of gratitude for the way he has been fighting the narcotics problem. We must pay that debt by continuing to support the reforms and effective drug fighting capabilities that general Serrano instilled in his Colombian National Police.

I might add that 5,000 of his narcotics police have died in the last 10 years trying to prevent the illicit narcotics from leaving that country and going into our Nation and other nations.

In the wake of the collapse of Venezuela's political system under the weight of years of corruption, that strategic nation is now headed down an uncertain path. The situation in Ecuador, which experienced a coup earlier this year, remain extremely tenuous. Bolivia has done a good job of eradicating coca, but it too is experiencing recurring unrest.

Just last month, Peruvian President Alberto Fujimori conducted an election that the Organization of American States, Election Ob-

servation Mission termed far from free and fair. The OAS Mission carefully documented a number of key failings, including the government's manipulation of key institutions, harassment of opposition candidates, a lack of balanced access to the media, illegal use of state resources by the government, and the need for improved election management.

I have been a strong supporter of our engagement with Peru on counternarcotics matters. I will continue to support our counternarcotics cooperation with Peru. However, we cannot ignore the fact that Peru's increasingly authoritarian and repressive government has hollowed out that nation's democratic institutions to perpetuate itself in power.

As a Nation, we must be prepared to respond to that challenge. If elections in Peru and Haiti are not free and fair, we cannot pretend that they are. We must not allow ourselves to be lulled into any sense of complacency. Undemocratic elements throughout the hemisphere are carefully watching our Nation's reaction to the manipulation of those recent elections.

In Mexico, National Democratic Institute for International Affairs election observers have pointed out that, "unfortunately, it is widely believed that the closeness of the election has led to certain practices, particularly by the ruling party, that are reminiscent of past elections." We should not ignore that kind of a warning about a nation as important to us as Mexico, our next-door neighbor.

With a few notable exceptions, the response from our neighbors in the hemisphere to recent threats to democracy has regrettably been muted. Brazil, in particular, has not risen to provide sorely needed leadership in the hemisphere. What we do here and now in the face of what is happening in the Americas will define how we, as a hemispheric community, will respond to the continued erosion of democratic institutions and the other serious security and economic crises we that we are facing.

Leaders in countries who not long ago looked to our Nation to help them recover their own nations' democracy need to think hard about this critical juncture in our history. They should join with our Nation in defending democracy. By the same token, our own administration cannot afford to coast until November. The wake-up call is well upon us. I thank you again, Mr. Chairman, for taking a hard look at these hemispheric problems.

Mr. GALLEGLY. Thank you, Mr. Chairman.

[The prepared statement of Mr. Gilman appears in the appendix.]

Mr. GALLEGLY. The gentleman from New Jersey, Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman. I want to thank Ambassador Gutierrez for agreeing to come speak with us on a very important topic, which is, I believe, very timely: The challenges to hemispheric democracy. The fact that we have a lot to talk about today is both discouraging and telling. Of the fact that democracy is threatened, let there be no doubt. What I hope we can begin to do is twofold: First, I hope we can stop measuring democracy by elections alone. We all have said it and heard it before, elections alone do not a democracy make.

But we continue to measure democratic advance by the number of free and fair elections held. We should measure instead the re-

sponsiveness and accountability of executives and legislatures, the independence and fairness of judiciaries, the strength and representative nature of political parties, the freedom of expression in the media, and the public at large, the level of real civilian control over the military, and the organizational strength of and level of participation allowed civil society. Most important, these democratic institutions and processions must be supported through continued and enhanced technical support programs.

Second, we must recognize that the underlying threats to democracy—poverty, injustice, lack of universal education, lack of access to land and corruption—remain constant, not having improved measurably in the last 20 years. Unless and until these factors are addressed, and at the same time that weak democratic institutions are strengthened, there can be no lasting democracy.

We should also remember that Latin Americans recognize the threats, too. We are not alone in raising this red flag. Shortly after Secretary Albright's tough speech at the Council of America's annual conference on May 1st, commentators throughout the hemisphere raised their voices in agreement. Writing in newspapers from Santo Domingo to Santiago, Caracas to Quito, observers expressed a collective sense of doom. Alarmed over a general "democratic deficit," "lack of strong parties," "outdated oligarchies," and conditions ripe with "totalitarian temptations," recent commentary has reflected an awareness of the public's growing dissatisfaction with "low-quality democracy." At the same time, comments from our south also show a certain resentment toward the United States, with many observers offended by the only passing reference Latin America seems to be getting in the U.S. Presidential campaign; and by the lack of a clear policy toward the region.

In their own recognition of the challenges they face, Latin Americans are clearly reacting to the fact that, while electoral democracy in Latin America has advanced in the past 20 years, reductions in poverty and corruption have not. Two decades ago, more than half of the countries in the region were under authoritarian rule including all but four outside of the non-English speaking Caribbean. Today, only one country has not had even one democratic election. At the same time, however, poverty has remained constant, even gotten slightly worse. This year, more than 36 percent of households in Latin America are living in poverty. In 1980, the figure was 35 percent.

There does seem to be some correlation between economic progress and democratic progress. Certainly Argentina, Chile, and Uruguay have recently consolidated their relatively strong democracies with elections that are beginning to be called, as was the case recently in Argentina, "boring." This is good news and it corresponds to the southern cone region's relative prosperity. In these three countries, fewer than 20 percent of households live in poverty, and this compares favorably to the rest of the region where an average of more than 40 percent of the population is poor.

There is not always a direct correlation though between riches and democracy. Venezuela with its oil and Colombia with its abundant natural resources, should be relatively wealthy and should have built up a middle class over the years. Corruption, bankrupt judicial systems and the history of power by oligarchy have pre-

vented this. Meanwhile, poor central American countries have faired relatively well lately on the democratic scale.

Let me close by saying that I believe that poverty does not, in and of itself, prevent the establishment and strengthening of democratic institutions. However, we are seeing a situation where any progress that has been made in the past 20 years on the democratic front is threatened by the lack of movement on the economic front. People are discouraged because greater electoral democracy has not given them a greater say in the political process, or a fair hearing in the courts or an end to corruption—the necessary ingredients for a more just economic pie. In turn, democracy's promise becomes disillusionment.

Recent polls conducted throughout the hemisphere are particularly disheartening and should be heeded. One poll showed that in no Latin American country do the majority of citizens feel they live in a true democracy. In Mexico, according to this poll, over 10 percent of Mexicans believe they live in a democratic system. The opinion research shows a "worrisome indifference" to democracy.

So I hope to hear from you, Mr. Ambassador, what the United States is doing and will continue to do, working with Democrats in Latin America to combat this worrisome indifference. If we have spent a fortune during the 1980's in promoting democracy—particularly in areas that you have been privileged to represent this country in—it is amazing to me that we would not take the necessary steps to cement the democratic underpinnings that we have first created and that now could flourish in this new century of opportunity. It is a great challenge to us, and we need to pay a lot of attention to our neighbors to the south because the only time we pay attention is when we have problems. Then it is too late. We need to pay attention now when we can create an opportunity of hope and prosperity for the entire region.

Thank you, Mr. Chairman.

Mr. GALLEGLY. Thank you, Mr. Menendez. Next we will turn to our colleague and good friend from the State of Michigan, Mr. John Conyers who was part of a congressional observation team that just recently attended the elections in Haiti. Welcome, Mr. Conyers.

STATEMENT OF THE HON. JOHN CONYERS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. CONYERS. Thank you very much, Chairman Gallegly. As a neighbor of mine in the building and as a colleague on Judiciary, I have appreciated working with you across the years. It is my honor to testify before your Subcommittee in this particular important Committee. I was deeply impressed by the statement of our colleague, Mr. Menendez, who I think has described a much larger circumstance that is still an ongoing challenge in trying to bring constitutional government to other nations. We have to observe that even in our process, we are working on improving that same objective in our own country. Of course, my friend, Mr. Bill Delahunt, who was one of the designated international observers from the Congress to go on May 21, Sunday, for the first and very important elections there, I am happy to make a brief report. I have a statement that I would like to have included in the record.

Mr. GALLEGLY. Without objection.

Mr. CONYERS. I would also like to make sure that everyone has a copy of it. Because I am going to merely summarize from this statement, because when I know that Ambassador Gutierrez is coming up and has been waiting and we have our good friend Ambassador Steinberg here also in the room, I want to be available for any comments or questions that the Committee may have. I want to observe in the beginning that I have enjoyed the good relationships with Chairman Ben Gilman of this Committee on the subject of Haiti who, when I first began going there, he was already a frequent visitor to this small, beleaguered, struggling nation, trying to make things work. I believe that he still is.

On May 21st, the Haitian people showed their strong desire for democracy. It was clear in the early hours of the morning, 5:30 a.m., that dozens of voters were waiting at the first sight we had been assigned to attend, waiting to cast their ballot at a polling station that wasn't going to open until 7 a.m. So we were very pleased about this being the general circumstance across the country and across certainly the half dozen or more polling sights that our congressional CODEL and staff had been assigned to visit.

Some of our teams had been assigned to distances so far away that we didn't see them until we were getting ready to depart. The afternoon that they left, they finally showed up in a very timely fashion, I would say. Of course, we would have waited for them. But the fact of the matter is that people were dispersed to work with OAS and other delegations, the Caribbean, CARICOM had people there, the European community had representatives there, and other countries had independent observers there. So it is my view that we were literally flooding the country with outside independent eyes and ears to help determine whether or not these elections would and could come off in a manner that would attain a level of credibility.

With me was Mrs. Corrine Brown of Florida, and Mr. Bill Delahunt of Massachusetts and a number of our staff. We witnessed dedicated poll workers, we witnessed party observers, we witnessed the opening and counting of ballots. We visited the provisional electoral counsel which administered the election process a number of times. Its president, Mr. Manus and our group got to know each other on a first-name basis. It seemed to me that what we saw was very refreshing, with the exception of one possibly election related death, outside of some pushing and shoving at the polling stations, there was a very low level of disorderly conduct and no violence.

We all had met and we were briefed very expertly by our embassy who themselves were working with other organizations, but most particularly the OAS to make sure that what we all saw and heard could be compared. There was a tremendous turnout on Election Day. It is calculated, as the results have not been concluded, still somewhere between 50 to 60 percent is the repeated estimation of voter turnout. I think that the registration rates were cards, registration cards, and with laminated photographs were issued in color, went up to somewhere about 80 percent. What determined for me was that the getting of the cards for registration was not just to be the proud possessor of a color ID, which for

many was their first, but they really, as we saw on Election Day, really wanted to participate.

It was wonderful to visit some polling places that were crowded, people were standing in line close together, in the hot sun, and then in the evening when we came back, there were children playing in this school yard, there were a few elders standing around, and they were getting ready to count the votes. Everybody had been taken care of. That was not the case, of course, in all the voting regions. In Grandanse they just had an election last week that had, by decree of the CEP, been put off until a later date. Those elections are still being counted.

So what we have here is I think a very important turning point in which the election procedures and constitutional issues involved have been and are still being approached in a very intelligent way. 29,000 candidates, Mr. Chairman, competed for 11,000 local regional and parliamentary offices. So this was a very important milestone. We now are confronted with the circumstance in which there was a difficulty about the count which took place after we left.

We have been receiving reports that the method of calculation, the one that we would traditionally use, is different from the one they have customarily used in the preceding elections. We have a letter that went to the OAS explaining that, that has been translated for us. We feel that the Haitian National Police deserve a great deal of credit along with the Election Commission for making sure that the election itself ran as fairly as it could.

I do appreciate that there have been arrests for gun law violations and other activities that followed, that occurred to political leaders, including some members of Famni Lavalos. But we want to remember that during that period, motorcycle use was prevented, the carrying of gun permits was revoked, and other safety precautions were enacted merely to make sure that had as a nonviolent, nondisruptive election as possible.

So we are still awaiting the results. We are hopeful that the CEP will consider the criticisms of the OAS and that they will reach some harmonious point of conciliation so that they can both move into a position for the announcement of the results of the election, and then the passing of judgment on the elections in terms of whether they have reached a sufficient level of credibility. All that I can attest to you is that from what we saw on the day before the election, the day of the election, and the day after the election, we were very satisfied that both the police, the Electoral Commission, and most of all, the citizens of Haiti, were very much concerned about restoring constitutional government to their land.

I would merely conclude by pointing out that your colleague on the Committee, Don Payne, the Ranking Member of the Subcommittee on Africa, has been enormously helpful with us in dealing with this subject matter with this almost small bipartisan Haiti caucus that has been formed in the Congress we wish to be of any assistance to your Subcommittee and the larger Committee of which you are a part. Thank you for allowing me to make these remarks before Ambassador Gutierrez.

[The prepared statement of Mr. Conyers appears in the appendix.]

Mr. GALLEGLY. Thank you for your testimony. It appears that you certainly have been impressed, and as you said, satisfied that it looks as though we are making progress there. Is that a fair assessment?

Mr. CONYERS. Yes, it is. Because you know, we are making progress, I am also disturbed about things that could have happened that didn't happen. We were disturbed about ballots that were late and were found strewn around after the vote. We didn't know whether they had been counted or not. There were a number of things that are important, but the overall thing to me, Chairman Gallegly, is that Haiti is at a very critical point. They are moving toward restoring—being restored to the family of nations and operating under constitutional governance. This election is very critical to move on to the runoffs which, as you know, are less than 2 weeks away. They are likely to go much more smoothly because the mass of thousands of pieces of candidates and hundreds of pieces of paper which was pretty daunting since the great majority of the population, the citizenry is not literate, that we would be moving into a much easier circumstance. In that sense, we feel that the May 21st elections were absolutely critical to any movement toward reaching the goal of constitutional governance.

Mr. GALLEGLY. Thank you very much. Does anyone else have a question or comment for Mr. Conyers?

Mr. DELAHUNT. If I may, Mr. Chairman. Not being a Member of this particular Subcommittee, I want to thank you for allowing me to speak.

Mr. GALLEGLY. You are among friends.

Mr. DELAHUNT. Thank you very much. It is my understanding, and I know that it is the understanding of Mr. Conyers, that the most recent election that was held this past Sunday, in the department of the Giandance was also held without any violence, a large turn-out, and seemed to be successful which I think underscores the observations that have been made by Mr. Conyers as to the overall success with some exceptions in terms of the May 21st elections.

Mr. CONYERS. You are absolutely right, Bill. That election was postponed by mutual consent and has taken place without any violence at all that has been reported, at least since we have been back. It is consistent with the overall trends and the effort on everyone's part. I think Pierre Denize, the national police chief, with no military and whose forces were being retrained by the Department of Justice specialists, and who has gone through tremendous challenge in terms of maintaining law and order nationally as well as conducting an election at the same time, needs to have a word of compliment lifted up for him as well.

Mr. DELAHUNT. If I can make one additional observation, Mr. Chairman. I think what was, particularly for Mr. Conyers and myself, a rather poignant and symbolic experience, was that he and I observed at a particular polling place that earlier in this decade was a polling place where a massacre of some 30-odd Haitian citizens who went to vote were assassinated by members of the Haitian military, which no longer exists since it has been abolished. I think we were both euphoric that our observation indicated that the elections were free, they were without any undue influence,

and they clearly were well monitored by the Haitian National Police, and there was not any indication of any violence or any duress whatsoever.

So while there is much to do in Haiti and I don't mean to overstate the case, it clearly stood in stark contrast to what occurred earlier in this decade.

Mr. CONYERS. You are certainly correct, it was very moving, that one particular polling place itself a school and you know we couldn't help but think that there were many people voting there who knew exactly what we knew that this had been the site of an Election Day massacre by the Haitian military. It was now perfectly peaceful all-day long; it was crowded, and when we returned, people were preparing the ballots, the various political parties were there, the parties had their observers witnesses and each ballot was opened up, and the numbers called off and the recording of the balloting went on.

There were spirited challenges from time to time, but it was a very encouraging process. I think we are taking this first giant wobbly step forward. I want to thank, from the bottom of my heart, all the Members of the International Relations Committee for the concern and cooperation they visited on us as CODEL after CODEL, including members of the Committee, and others not on the Committee, were permitted to go back to Haiti to work and struggle for this common objective.

Mr. DELAHUNT. If I may, Mr. Chairman, I think it would be incumbent on us, and we would be remiss if we did not acknowledge, that members of our staffs volunteered to come and to accept what was a dangerous challenge, and I would specifically point out, Ms. Cynthia Martin from Mr. Conyers' staff, and Charisse, from Don Payne's office, and my own Cliff Stammerman as well as Sean Carroll. They were extraordinary in terms of their commitment, they worked hard, it was 18-hour days, and there was much concern about their safety, but the end result was a very positive one.

Mr. GALLEGLY. Thank you very much, Bill. The gentleman from New Jersey, Mr. Payne.

Mr. PAYNE. Thank you very much, Mr. Chairman and I will be very brief. I am not a Member of the Committee. I appreciate the opportunity to say a word or two. Primarily I want to compliment Mr. Conyers on the continued respect that he has in Haiti, and in other areas, but he is very well respected there. There is always an out pouring of people to visit with him. Also, I would like to indicate what a great addition to the House Mr. Delahunt is, especially his interest in Haiti and his going down there several times with Mr. Conyers. I was on one trip with him. I was unable to get there the week of the election but I went the previous week, wanted to make sure that everything was taken care of everything was in hand. We didn't want them to run into any kind of trouble.

Mr. DELAHUNT. It was John the Baptist leading the way.

Mr. PAYNE. But I did have a chance to meet with the President and former President Aristide and the Election Commission and OAS representatives, and the opposition party people. We did feel some apprehension about whether all those ballots were going to get there in time and all those photo ID's were right. As Mr. Conyers said, there were, of course, enough errors to go around, but if

you take a look at the overall election, I think that it was a step in the right direction, moving toward democracy, any kind of impediment did not necessarily impact the overall outcome, and I think that is what we looked for.

I also would like to compliment Ambassador Steinberg, who really kept us very prepared and briefed. Having worked in Angola, Haiti is easy for him in comparison. But finally, as you know, the police department for of all of Haiti, 8 million people or more, is about 4,000 people. The same population of New York City, has 10 times as many policemen. They have 40,000 policemen in New York City. We saw recently in Central Park, a few people got out of hand with large numbers of policemen being unable to prevent this from happening.

When we do look at that, and we hear the criticism of, I think Mr. Conyers made it clear, this was not the greatest election in the world, but it was certainly, I think, a very great step in the right direction. When you look at 4,000 policemen for the entire country of Haiti, like I said, as opposed to 40,000 in New York alone, I think when we keep things in its proper perspective, we can be appreciative.

Finally, Mr. Menendez, as you note, was a Ranking Member of this Committee during the last session, and much of what we see happening and moving forward at this time certainly did not just happen over night, and that his shepherdship of the Committee and what was going on in Haiti during the previous Congress, I would like to also thank him for the interest that he has shown in the area.

Thank you, Mr. Chairman.

Mr. GALLEGLY. Thank you, Mr. Payne. Thank you, John, for your testimony, and we appreciate your being here this afternoon.

Mr. CONYERS. Thank you, sir, very much.

Mr. GALLEGLY. Mr. Secretary. We welcome Ambassador Gutierrez here this afternoon, and with that, we would welcome your testimony.

STATEMENT OF AMBASSADOR LINO GUTIERREZ, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR THE BUREAU OF WESTERN HEMISPHERE AFFAIRS, DEPARTMENT OF STATE; ACCOMPANIED BY RAND BEERS, ASSISTANT SECRETARY FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

Mr. GUTIERREZ. Thank you very much. Mr. Chairman, it is a pleasure to be here. In the interest of time and brevity and to allow for your questions, I would like to touch briefly upon the seven areas you asked me to address in my testimony. I have prepared a comprehensive written statement that I have submitted to the Subcommittee for its consideration.

Mr. GALLEGLY. It will be made a part of the record of the hearing in its entirety without objection.

Mr. GUTIERREZ. Thank you. Mr. Chairman, recent events show that democracy remains vulnerable in some countries in the hemisphere. It is important to remember, however, that democracy is a continuing process, not a final achievement. I would argue that despite some setbacks, democracy in the hemisphere continues to

flourish. Thirty-four of the 35 governments in the region came to power through the ballot box. Our relationship with our neighbors is excellent. Regional integration and interdependence are strong and continuing to increase. As a result, our interests in the Western Hemisphere are vitally important to the United States, vitally important to our security, to our economic well-being and to the future of our children. It is essential that the Administration and Congress continue to work together actively to manage and resolve challenges and to take advantage of opportunities in the Hemisphere.

Turning to the situation in the seven countries, the Subcommittee has asked me to address, Peru's experience with democracy is checkered. Despite requests from the Organization of American States, the U.S. Government and the national community to postpone the second round of presidential, elections in order to verify conditions for a fair contest, President Fujimori chose to go ahead with a contest on May 28th. Opposition candidate Alejandro Toledo decided not to participate in the elections and called on supporters to boycott or to cast null votes. Domestic and international observers, including the OAS, did not monitor the contest.

President Fujimori won the May 28th election with 51 percent of the votes cast, but the results underlined the country's political polarization. About half either cast votes in favor of Toledo, about 17 percent, or deliberately spoiled, their ballots, 32 percent. Tens of thousands protested the contest across Peru with minimal violence.

The OAS Electoral Observation Mission called the electoral process flawed. We support their findings. The elections were not free and fair. The resolution approved by the OAS General Assembly last week reflects our concerns regarding the credibility of the electoral process and represents an important building block for restoring democratic institutions in Peru. It asks that OAS Secretary General Gaviria and Canadian Foreign Minister Axworthy go immediately to Peru to develop recommendations and an action plan to reform the judiciary and electoral systems and to strengthen press freedom. The Mission will report back to the OAS Foreign Ministers for endorsement of the plan and to ensure active OAS followup.

We support this OAS Mission. It is in the U.S. Government's interest to give this initiative time to prove itself. Yet we have specifically warned that the U.S. reserves the right to respond appropriately to the progress made by the Government of Peru. We also share the concern expressed by Congress in Senate Joint Resolution 43 and are preparing to review our bilateral programs. Any eventual decision on sanctions will be influenced by Peru's response to the OAS Mission and the reforms undertaken.

Haiti is the second country that faces a challenge to democracy. Indeed, since the January 1999 dissolution of Haiti's parliament, most of the country's local and national governmental bodies have either been absent or unable to fulfill their critical role in helping Haiti address its most severe challenges. To end this irregular situation, the United States—including many dedicated Members of this Subcommittee—has devoted considerable effort to bringing about a free, fair and transparent election.

On May 21st, the first round of the long overdue local and parliamentary elections was held. Voter turnout was high as Haitians from all walks of life embraced this democratic exercise.

The post election period has been beset with serious problems, however. The most prominent problem thus far is the possible use by the Provisional Electoral Council of a methodology that fails to tabulate all ballot votes cast in the Senate races, as prescribed in the election law. This alternative methodology would seriously distort the outcome of those races. The Organization of American States Electoral Observation Mission has requested a retabulation of votes fully consistent when the guidelines. We support the OAS position.

The stakes in Haiti's electoral process are high. This process, which anticipates a runoff election on June 25th, the seating of a parliament in mid July, and Presidential elections in November is the means through which democratic and fully responsible government can be restored and empowered. The expectations of Haitians must be validated by a process that is fully credible, free, fair and transparent from its start on the day of the vote to its end when the votes are tabulated and the newly elected officials are installed into office.

Let me turn to Venezuela where a lengthy political transition continues. The Supreme Tribunal, Venezuela's Supreme Court, postponed the country's Presidential legislative, state and municipal elections scheduled for May 28th. It did so in acknowledgment of continued serious technical problems in the automated voting system. It was the right decision.

The Tribunal acted in response to a petition from concerned NGO's, a positive sign in our opinion. The engagement of civil society in highlighting the need for postponement was a sign of mature democratic process. So was the decision of the Venezuelan authorities to support their request before the Tribunal.

The election officials responsible for the problems have now been replaced by well-respected, apolitical individuals nominated by a variety of nongovernmental institutions and vetted by a roundtable of representatives of civil society. The interim legislature has not yet set a new date, but July elections are still possible. The U.S. Government provided financial support for both an OAS election monitoring mission and a Carter Center mission, which played constructive roles during the campaign. We anticipate providing the same level of support in the upcoming elections as well.

In Mexico, voters will go to the polls on July 2nd to elect a new President and new Congress. It is not an exaggeration to say that these elections are a potential watershed in Mexico's democratic evolution. The campaign has been the most open in Mexico's history and we expect the vote itself will be too.

There has been public speculation in Mexico and elsewhere about the possibility of electoral fraud. Frankly, I would be surprised if there were no allegations of irregularities after the vote. But a vast and impressive array of safeguards has been created over the past 6 years to prevent systemic fraud and to guarantee the integrity of the Mexican vote.

We have confidence in Mexico's independent Federal Electoral Institute, the IFE, which is charged with organizing and managing

the elections. It has done a great deal already to level the political playing field and set the stage for free and fair elections.

Mr. GUTIERREZ. [Continuing.] I saw this firsthand during a recent trip to Mexico. Since 1994, in midterm congressional and local elections the opposition has made unprecedented inroads. Over a third of all Mexicans live in states run by opposition Governors, and the PRI no longer has a majority in the Mexican Chamber of Deputies.

We expect there will be a number of international observers in Mexico for the election. The Mexican government, the IFE and the political parties themselves have welcomed this. The U.S. is funding an electoral observation mission organized by the International Republican Institute and the National Democratic Institute, and various other U.S. NGO's are also sending observers.

Ecuador is another country that faces threats to its democracy. The situation, however, has improved dramatically since January, when field-grade Ecuadorian military officers and indigenous leaders attempted to install a new government. As this revolt developed and both the military and police declined to enforce public order, the United States, Ecuador's neighbors, and the OAS Permanent Council immediately issued strong statements rejecting any interruption in the democratic, constitutional order. Facing the prospect of political and economic isolation, on January 22nd President Mahuad urged the country to support Vice President Gustavo Noboa as his constitutional successor and Congress confirmed Noboa that day.

Ecuador is not out of the woods, but it is making progress. The Noboa government has been able to pass through Congress badly needed economic reforms and to begin the process of implementing those changes. The Noboa Administration has met with indigenous communities and sought to initiate social programs targeting the poor. Military leadership has been changed, removing those who did not act in support of Ecuador's constitution or its leaders. An amnesty to those who were involved in the coup has created the possibility of reconciliation and has helped defuse a potentially explosive situation while allowing military authorities to impose administrative sanctions against participants.

On May 25th, the Noboa Administration announced fiscal reforms. Protests have so far been muted. An IMF team is currently in Ecuador to examine the fiscal implications of these measures, as well as banking sector developments, and other issues in the context of its first bimonthly review of Ecuador's IMF Standby Program.

The next few months will be critical to the success of Ecuador's economic reforms. President Noboa has been making the right political and economic moves and recognizes that these strict reforms are necessary to improve economic conditions and opportunities for all of Ecuador's citizens.

Turning to Paraguay, where the unsuccessful coup attempt of last May 18th and 19th demonstrates that Paraguayan democracy continues to face serious challenges. These include corruption, economic stagnation, rural discontent and some anti-democratic elements among the middle and lower ranks of the military. There are significant factional divisions within both parties in the governing

coalition as well as within the opposition. These challenges have complicated the government's ability to govern effectively.

It is important to note the lack of military, political, or popular support for the unsuccessful uprising, which was led by supporters of former general and convicted coup plotter Lino Oviedo. The military leadership and the vast majority of military units demonstrated their commitment to democracy, civilian control and the constitutional order. Since the assanation of Vice President Argana in March of last year, Oviedo appears to have lost much of his public support, and he remained a fugitive from Paraguayan justice until his recent detention in Brazil.

Nonetheless, much of the population lacks hope and few see the current situation as acceptable. We continue to urge Paraguay's leaders to agree on a vision for the country, to take sustained action against criminal activity and corruption and to implement economic reform. These steps are necessary if Paraguay's democracy is to be secure.

Finally, let me also comment briefly on events in Colombia. In the Pastrana Administration, the U.S. has a full and committed partner that shares our counternarcotics goals. Delays in implementing the U.S. assistance package for Colombia will not only adversely affect the counternarcotics efforts made by the government of Colombia but also our own efforts to upgrade the government's ability to counter this threat. Ninety percent of the world's supply of cocaine is grown, processed or transported through Colombia. Because of this, we appreciate the House's rapid action in response to the Administration's supplemental request for Colombia.

With the delay in funding, Colombia's drug production can be expected to continue its massive expansion. In 1999, the U.S. sprayed over 42,000 hectares of coca and over 8,000 hectares of poppy. Despite this, coca cultivation in Colombia reportedly increased by over 20,000 hectares during the same year. Yet we now actually have had to cut back our aerial fumigation operations by 50 percent and lay off spray pilots because of funding shortfalls. This means nearly 5,400 acres per month are today not being taken out of cultivation that would have been if the cutbacks were not required. We also have been unable to begin a significant planned expansion of eradication capability. Left unchecked, skyrocketing trends in Colombian production will also reverse impressive progress in Bolivia and Peru where coca cultivation has gone down 55 percent and 66 percent respectively since 1995.

We have also had to suspend forward deployment of the UH–1N helicopters intended to provide air mobility to the first counternarcotics battalion because of the lack of funding for additional flight hours, training, repair parts, fuel and other logistic support. Without these helicopters, the Colombian army's first counternarcotics battalion—specifically created with U.S. funds to go after drug targets—has not been able to complete its training to be fully prepared to conduct effective operations.

In the field of drug interdiction, the delay will result in no upgrades for detection and monitoring aircraft before January, 2001, derailing a project that promises to have immediate results. The Colombia national police will also be denied critical force protection

improvements to its existing forward bases, secure communications and an additional air mobile unit.

Other important interrelated programs to be funded by the Colombia emergency supplemental package are also on hold, including those that would strengthen the justice system, local government and civil society, as well as increasing our assistance to internally displaced persons.

Mr. Chairman, let me close by acknowledging the tremendous challenges faced by the countries of the region. The roots of democracy in our hemisphere, while widespread, are still shallow. Events in Paraguay, Peru, Ecuador and elsewhere reflect the vulnerability of democracy in some countries. However, the overall democratic trend is positive. Never have as many citizens of the Hemisphere freely elected their leaders, been able to read free newspapers, join nongovernmental organizations and freely express their views without fear of persecution. Nations today cooperate with each other as never before to address threats such as narcotics and arms trafficking, corruption, and money laundering—issues which respect no borders. Those who would attempt to subvert the democratic process in the Americas will face a united hemisphere opposing them.

This is not to say that democracy in the region is home free, far from it. There will be occasional setbacks, and there is no question that we must remain engaged. But I am convinced that the citizens of Latin America and the Caribbean will fight to preserve the freedom that took so long to achieve. The Administration looks forward to working with the Congress to do our very best to help them.

Thank you very much.

Mr. GALLEGLY. Thank you very much, Mr. Ambassador.

[The prepared statement of Mr. Gutierrez appears in the appendix.]

Mr. GALLEGLY. I just have a couple things that I want to go over before I defer to Mr. Menendez.

With respect to the election in Peru, the coup in Ecuador and the attempted coup in Paraguay, can you tell me what these say about the depth of the democratic values in Latin America and the stability of the region? Do you see it as a systemic problem or is it an Andean situation?

Mr. GUTIERREZ. I think the conditions vary throughout the Hemisphere. As I said, the roots of democracy are not as deep in every country; and recent events have shown that.

I also agree with statements made here before me that democracy is more than holding free elections. Institutions have to be strengthened, we have a long way to go in achieving that. But I would not say this is a systemic problem throughout the Hemisphere. It differs from country to country.

Mr. GALLEGLY. Would you say that we are slipping back a little bit, or do you think this is just an ongoing issue, for which we have to continue to be vigilant?

Mr. GUTIERREZ. I think democracy in the Hemisphere is a process, and there will be some setbacks, but I think the overall trends remain very positive. I think the Hemisphere is better prepared to deal with events like we have witnessed before.

For example, had the Paraguayan coup attempt taken place 10 years ago, you might have a military government now in place. But the fact that the Hemisphere stands united and ready to react to these interruptions of constitutional order I think is a very positive development.

Mr. GALLEGLY. Mr. Menendez.

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. Ambassador, I have the greatest deal of respect for you, having had some time with you when you served a fellowship in my office. However, you know that when it comes to questions, I don't restrict myself, even though I have a great deal of respect for you.

So let me start off by noting that, in your statement you say 34 of the 35 governments in the region came to power through the ballot box. But would we not eliminate from those 34, at least for now, Paraguay, Ecuador, and Peru? The present governments came in through some unconstitutional process; and, in the case of Peru, while there was an election, we, from your own statements, question that election.

So it seems to me that the numbers of democracies are in flux, and we need to recognize that. We may have at some time seen elections, but in the present set of circumstances those countries in my mind cannot fall within the context of saying that they have achieved democracy at the ballot box; and we know that even that, in and of itself, is not the true test of democracy.

My second point is, you state at page 12 something that I thoroughly agree with. You say that the stabilizing threats posed by income inequality and poverty must be addressed. You say that, through improving basic social services, health care and education, governments can help to broaden the reach of economic opportunity by providing opportunities and incentives. Many elements of society can be pulled into the political and economic mainstream and thereby strengthen democracy. I agree with that fully.

But what I cannot understand, when we have you and we have Ambassador Romero and so many others from the State Department come before the Committee and speak in such terms that you—you meaning the Department—oppose the Latin American Development Fund. Every time that we in fact seek to promote efforts for a Latin American Development Fund, which aims, in essence, to create a funding floor and to ensure that regional funds for developmental purposes don't get stolen whenever there is a global emergency, we have opposition from the State Department. Trade alone cannot possibly deal with the 40 percent or so of those people who are below the poverty level in the Southern Hemisphere; you cannot tell a Brazilian child that trade is going to lift his or her future.

We need to have the State Department begin to engage with us in understanding that some of the development issues that we have within the Hemisphere need to get better attention or we will continue to find ourselves in this discussion of democracy without the underpinnings necessary for that democracy to fully flourish. Your statements are right on the mark, but your Department continues to oppose us in developing a Latin American Development Fund. We need such a fund so that we can begin to move forward.

The Chairman of the Subommittee has expressed in the past very sincere interest on illegal immigration, but we are not going to stop illegal immigration coming through the borders of the Southern Hemisphere unless we change the quality of lives in the Southern Hemisphere and the economic realities that they face. We are not going to stop the flow of drugs into the United States until we have sustainable developments that sustain a family growing crops in Colombia that are not coca crops, because that is the most available and the most worthy economically for them to sustain their families. Yet we are going to do this all through trade?

So my second point to you is, why do we not have the Department being supportive of development assistance that is enhanced and that is particularly focused on Latin America?

The third point that I would like your remarks on is the election in Peru, which I think is a real concern. The Clinton Administration first called Mr. Fujimori's victory a threat, and then I have sensed a back-pedaling from that. We are seeking a strong, collective response, which is fine, at the OAS, but my sense is that there is little sign of the members from those respective states who want tough sanctions on Mr. Fujimori's Peru, much less a new election.

What is at risk here? I mean, if all we are going to do is rattle our sabres about democracy, permit what is even a questionable election, what message are we sending in the hemisphere? I would like to hear whether the State Department considers that a constitutional validly third term?

We will rattle our sabres about democracy, but if you have an unconstitutional third term, if you have a lack of the type of elections that are fair and free, if you permit a process to take place that doesn't provide for truly representative democracy at least in the first instance, then where are we going?

If you read the Senate resolution which calls on the Administration to review and modify, as appropriate, its political, economic and military relations with Peru, presuming that the OAS mission doesn't come back and really give us a sense that there is a meaningful response, are we talking about an action that some would consider a sanction?

Mr. GUTIERREZ. Congressman, let me just reciprocate and say I have the upmost respect for you. As a matter of fact, when I was a fellow in your office, I worked on the predecessor of the Latin American Development Fund. I understand the concept. I believe on that issue the objection of the State Department is to any earmarkings of that type. But let me just say that we agree with the spirit of what the Latin American Development Fund is trying to accomplish in the region, and we are certainly willing to work with you on those objectives.

Mr. MENENDEZ. We hope the spirit will move you and the Department.

Mr. GUTIERREZ. On the 34 out of the 35 elected governments in the Hemisphere, your point is well taken. One would argue semantically that the Vice Presidents of Ecuador and Paraguay were elected freely to their previous positions—which put them in line for the presidency, and Mr. Fujimori has not yet been inaugurated for a third term, but we may have to adjust those numbers in the future. We take that point.

On Peru, I would say that, in general, I think that the Hemisphere has reacted well to Peru. We went up to the Windsor OAS General Assembly with three objectives. We sought an endorsement of the Stein report. Mr. Stein was the former Foreign Minister of Guatemala who went to Peru and uncovered all the irregularities. We wanted some sort of followup mechanism, some high-level delegation to go to Peru and facilitate a dialogue between government and opposition.

We did not want this report buried in the way many actions get buried in some of these organizations, so we wanted the Commission to report back to foreign ministers. I would argue we got all three objectives—the Hemisphere spoke with a united voice, they sent Mr. Axworthy in his capacity of Chairman of the General Assembly, and Mr. Gaviria. They gave them a mandate to go to Peru and talk with the government about much-needed democratic reforms—reforming the judiciary, reforming the electoral system, maybe reforming the way deputies are elected, et cetera. They will carry that mandate to Peru, and we support that mission. They will come back and report to the foreign ministers of the Hemisphere.

Now we have not ruled out taking some unilateral actions on our own should we not be satisfied with the report of this Commission, and we are beginning to look at some possible unilateral actions should they be called for. But at this time we support the OAS Mission. We would like to give the OAS Mission a chance to see what it can accomplish in Lima.

At the same time, I would point out that the opposition—the Peruvian opposition—supported the findings in Windsor and are very much supportive of this process. So I think we ought to let this process play out before deciding on what the next step should be.

Mr. MENENDEZ. Two last questions, if I may, Mr. Chairman. Number one is, does the Department, since it doesn't support earmarks, not support the Development Fund for Africa?

Mr. GUTIERREZ. I will have to get back to you on that, Congressman. That is—my Bureau was not, as you know, involved in those decisions, but I will I think——

Mr. MENENDEZ. Please get back to me. Because we have a Development Fund for Africa. We seek to fund it annually, and we do fund it annually, and I think it is important. As the former Ranking Member of the African Subcommittee I support it.

But I do not see how you can say that an African fund is supported by the Department, which I believe it does, and then say the Latin American Development Fund—for development here at the doorstep, at the front porch, at the very entrance to the United States, with direct relationships on questions of biodiversity, questions of immigration, questions of drug interdiction, questions about developing greater markets, questions of movement of health problems across borders—makes less sense.

My second question is maybe a point more than a question. Not only am I concerned about this election in Peru and what has happened—I didn't hear you answer me on whether or not the Administration believes that this is a valid third constitutional period; that is a period of three consecutive elections is valid under the Pe-

ruvian constitution. I would like to hear the Administration's answer to that.

I am also concerned by several examples of the authoritarianism I have seen happening in Peru over the last several months leading up to this election. American companies working in Peru are finding themselves increasingly with rather authoritarian nontransparent decisions being rendered against them. We have an airline whose existing licenses are potentially being arbitrarily withheld. We have another American company that legitimately exported a product out of Peru and now finds itself with literally millions of dollars being held arbitrarily by the Peruvian government as it relates to certain taxes that are normally refundable, but that now they don't wish to refund.

I think there are some serious concerns about what is going on in Peru, both in the context of its electoral process—whether or not this is a valid third term that anyone could have had under the constitution—how American companies—and, therefore, I would assume other companies as well—but at least American companies, are having difficulties in dealing in Peru while obeying all of the laws and arbitrarily being treated in ways that would defy a series of both countries' treaties as well as GATT provisions as well as other international norms.

My sense in this is that we are dealing rather gingerly with them; and my question is, for how long are we going to take that approach? I hope that we are just not going to acquiesce in the process to an election that is highly questionable, a third term that is really in doubt, and ultimately for American companies to be treated through such an authoritarian manner which violates their very rights.

This is where we need to speak up, and I hope we will do so. I understand the desire to have collective speaking on behalf of the hemisphere's nations, and I hope they will do it strongly, but if not there are American interests that sometimes have to be promoted and that we have to stand, if necessary, unilaterally to do so.

Mr. GUTIERREZ. We have spoken out quite a bit on the Peruvian elections. We stand by every statement we have made throughout this process. The OAS found that this election was a flawed election, and we agree with that assessment. So it is critical that this mission succeed and come back with measures that will enhance democracy in Peru, and we support this mission going down there.

On American companies, we stand ready to aggressively support them in any problems they might have with the Peruvian government. I am not aware of these instances that you have mentioned, but I would be glad to look into them. Certainly we stand ready to support American companies with any problems they might have in Peru.

Mr. MENENDEZ. Is this a constitutional third term?

Mr. GUTIERREZ. Not being a Peruvian legal expert, let's say that many observers have questioned whether, in fact, Mr. Fujimori legally could run for a third term. For whatever reason, Peruvian legal authorities decided that he could. I think right now the focus must be, however, on supporting the OAS mission going down there and seeing what they can accomplish and facilitating a dialogue between the government and the opposition.

Mr. MENENDEZ. Considering that he fired the three judges that were in opposition to the third term, I don't know how it is valid.

Thank you, Mr. Chairman.

Mr. GALLEGLY. Thank you Mr. Menendez.

If we could move over to Colombia just for a second, Mr. Ambassador. You commented that the situation in Colombia it looks fairly bleak and that the situation is likely to get worse rather than better. I guess that confuses a little bit about the impact of our supplemental.

You also mentioned that the fumigation flights have been cut back 50 percent, but weren't these flights fully funded or are they appropriations in the supplemental budgeted for fiscal year 2000? If that is the case, why are we running out of money already?

Mr. GUTIERREZ. With your permission, I have asked Assistant Secretary Rand Beers from the Bureau of International Narcotics and Law Enforcement to assist me in some of these questions.

Mr. GALLEGLY. That is fine.

Mr. BEERS. Thank you, sir.

With respect to the second half of your question, first let me speak specifically—if you will recall, sir, with respect to fiscal year 1999 and the funds available to the State Department, the Western Hemisphere Drug Elimination Act, in addition to regular funding, had been made available to the Department at that particular point in time. With those funds we were able to mount in fiscal year 1999 a very robust program. When we came upon fiscal year 2000, we were faced with the funds allowed being lower or less than the funds that were available in fiscal year 1999, but we were moving in the direction of requesting supplemental funds, and then we finally did request those funds.

In that context, I know the Front Office, together with the members of the Country Team, made a strategic decision to try to sustain the level of effort that had been mounted in fiscal year 1999 into year 2000 with the expectation that we would be receiving supplemental funds for Plan Colombia in a timeframe of May or June. As it became apparent in the discussions and deliberations between the two Houses earlier this spring that that assumption was no longer valid, we chose to pull back to a funding level that would allow us a level amount of funds remaining available until the end of the fiscal year.

What that essentially amounted to was a 50 percent reduction from the time it began, which was the beginning of May, until such time as funds from Plan Colombia are available, a 50 percent reduction in the amount of eradication effort that we were able to mount and a pullback from the UH–1N in air mobility components of the counternarcotics battalion that we were prepared to support, fund and put in the field. Those two principal elements represent the core of our inability to move forward at previous levels with existing funds. In short, we had more money in fiscal year 1999 than we had in fiscal year 2000 without Plan Colombia supplemental funds.

With respect to the first question, it is our strong belief that the funds that could be made available under Plan Colombia represent the single most important investment that Congress, and the United States has the opportunity to make on behalf of our citizens

in the struggle against drugs in this Hemisphere, certainly during my entire tenure as a counternarcotics official which stretches back over 12 years and three administrations.

Mr. GALLEGLY. Thank you very much.

As you have heard, there is a vote on the Floor, a conference report.

So, Bill, did you have anything you wanted to add quickly? Or, Mr. Menendez, would you like to come back or do you want to try to wrap this up?

Mr. DELAHUNT. I will be real brief, Mr. Chairman. I just want to echo some of the observations by Mr. Menendez in terms of dealing in the long term with Latin America and Central America.

When I hear the Ambassador speak to the issue of earmarks, that really doesn't address the need. I mean, we earmark in a variety of ways. Significant amounts of assistance go to Egypt and Israel. I think it has been very clear that our level of engagement—and I am not speaking of you and those that are in attendance here, because I know of your commitment to Latin America and what is occurring in this hemisphere. But I have to say that the engagement with this hemisphere really doesn't pass muster. It really doesn't. We have to make an effort, for the reasons enumerated by Mr. Menendez, to reengage with Latin America.

We are missing opportunities, and the advances that have been made in terms of democracies I think I would suggest are at risk. It can't be simply by trade. I really do support his concept of a Latin American Development Bank; and we can't, simply accept the fact that the administration doesn't, believe or embrace earmarks. We have got to talk about substantial investment as well as trade.

It is just my observation that, the idea of nurturing democratic institutions and independent judiciary and legislative bodies in terms of increasing their capacity to deal, because the democracies that exist have very significant executive authority. We are discussing democracies today that are elected, but some have expressed concerns, whether it be Venezuela, whether it be any of the democracies, there seems to be an imbalance between the traditional branches or components of democratic institutions. I really believe we have got to make a substantial investment in terms of assisting these nations as far as their judicial systems, as far as their legislative assemblies, as well as the executive.

While I have an opportunity to just address one question I would address it to Ambassador Beers. Do you have any reports for us in terms of the status of the peace process in Colombia or in terms of discussions that I understand are just under way with the ELN and any reports in terms of the peace process as it relates to it.

Mr. GUTIERREZ. If I may, Congressman, make a quick couple of points. I just returned as Ambassador to Nicaragua for 3 years. I can tell you we do have significant programs in the region in helping judicial sectors, Administration of justice programs, police training programs, institution building programs, helping legislatures, helping corruption watchdogs, et cetera. So we are engaged in the Hemisphere; and, not only that, we are also poised to respond in times of emergency. I was in Nicaragua when Hurricane Mitch struck, and the response from the American Congress and

the American public was indeed generous. It was timely. Our money got there more quickly than any other.

Mr. DELAHUNT. I don't dispute that, and I know that the American people and this Congress and this Administration respond in terms of emergency. But what I am talking about is really the nurturing and development in the long-term basis of democratic institutions because I believe, that that is the intelligent investment so that we don't have these crises and that we continue with what I agree with is a trend in the right direction.

Mr. GUTIERREZ. I can assure you we are doing it, and in Haiti——

Mr. DELAHUNT. I think it is a question of degree, Ambassador. We can't do this on the cheap. We just can't do it on the cheap.

Mr. GUTIERREZ. We can always do more, Congressman. You are right. But in Haiti, for example, we spent $16 million in ensuring that these elections take place, which is quite a significant achievement.

Mr. DELAHUNT. Again, I want to be clear I want to compliment. But some suggested in Haiti, for example, that we have poured billions of dollars into Haiti. The reality is that we have poured—a great substantial piece of that billions of dollars was to—was in the aftermath of the coup, was to house people in Guantanamo, was to pick up refugees, the sending of some 20,000 American troops to Haiti.

So when we talk about building institutions I dare say it is a more intelligent investment to do that rather than to be responding to crises such as occurred in Haiti in the aftermath of the coup and prior to the return of Aristide and democracy to Haiti. Because that cost us a lot of money. That was a billion plus.

Mr. GUTIERREZ. We are doing quite a lot, but I think we can always do more.

Mr. BEERS. Sir, with respect to your question, the peace process—the ELN portion of the peace process is still not settled. Discussions continue. The FARC on-again, off-again peace process I guess you could say is on again. There is not much different from what you are seeing in the public domain. But if you would like to have a more detailed discussion of that in private we would certainly be happy to have someone come up and sit down with you and good over that in detail. I know your strong interest in that subject.

Mr. GALLEGLY. Thank you very much for your attention today. Thank you, Mr. Ambassador, for your testimony; and, Secretary Beers, thank you for being here.

With that, we will adjourn the Subcommittee.

[Whereupon, at 3:45 p.m., the Subcommittee was adjourned.]

A P P E N D I X

JUNE 14, 2000

Opening statement by Chairman Elton Gallegly (Hearing)

The purpose of our hearing today is to examine recent and forthcoming events in several Latin American and Caribbean nations and to analyze how these events have or could impact democratic gains and overall political stability in the region.

For more than a decade Western Hemisphere policymakers, political analysts, and academic experts have pointed with optimism to the continued growth and strengthening of democracy in Latin America and the Caribbean.

The focal point of the hemisphere's success story thus far has been the number of free, fair and transparent elections which have taken place at all levels of government over this period.

And, up until recently, most elections in the region have been very successful.

Yet, most know that elections alone do not make a strong democracy. Other elements such as well organized civil societies, independent judiciaries, a free press, active political parties, and militaries willing to subordinate themselves to the elected civilian authority, are all required before any nation can truly be defined as a strong, modern democracy.

Today, the glitter of progress is beginning to tarnish in some parts of the region as electoral processes have broken down, such as in Haiti and Peru.

Where new patterns of populist authoritarianism seem to be emerging, such as in Venezuela and Peru.

And, where restless militaries, twice in the past six months, in Ecuador and Paraguay, have staged unsuccessful coups d' etats.

This is not to say that all parts of the Hemisphere are taking steps backward. And we hope these may only be one-time, temporary set-backs. But recent events in several countries in the region, coupled with the inability of economic reforms initiated earlier in the decade to adequately address pressing social problems, have cast a dark cloud over the democratization of parts of the region.

Today, the Subcommittee has asked the Department of State to review these particular issues with us and to assess whether these events can justify criticism that " Latin democracy is in decay."

Chairman Benjamin A. Gilman
Opening Statement
Western Hemisphere Subcommittee Hearing
"Challenges to Hemispheric Democracy: Elections, Coups and Instability"
June 14, 2000, 2:00 p.m. 2172 Rayburn HOB

Chairman Gallegly:

Thank you for scheduling this important hearing. The wave of democracy in our hemisphere has crested. Now, to continue the metaphor, the breakers are starting to roll towards shore.

Attempted coups in Paraguay and political violence and manipulated elections in Haiti are recurring problems. Both countries are emerging as major centers of narcotics-related criminal activity. The Haitian government is becoming an increasingly repressive narco-state.

The initial hopes that surrounded the May 21 elections in Haiti have sadly been eclipsed. This flawed electoral process has seen—among other improprieties—political killings, the use of a politicized Haitian National Police force to arrest and intimidate opposition politicians, the manipulation of the supposedly independent electoral council by the government and the ruling Lavalas Family party, and falsification of election results.

The government of Haiti has been given massive resources and every benefit of the doubt by the international community. It is time to stop applying a double standard to Haiti.

Central America is witnessing increasing tensions over border disputes that could yet break out into open conflict. In Nicaragua, there are persistent, troubling reports of official corruption and abuses of authority.

The Andean region is in turmoil. The situation in Colombia is deteriorating by the minute. The production of illegal drugs in Colombia, and the violence that these drugs fuel, are out of control.

Just yesterday, I learned that Colombian National Police Director General Rosso Jose Serrano announced his retirement. General Serrano is a true Colombian patriot. Our nation owes him a great debt of gratitude. We must pay that debt by continuing to support the reforms and effective drug fighting capabilities that General Serrano instilled in the Colombian National Police.

In the wake of the collapse of Venezuela's political system under the weight of years of corruption, that strategic nation is headed down a very uncertain path.

The situation in Ecuador, which experienced a coup earlier this year, remains extremely tenuous.

Bolivia has done a good job of eradicating coca but is experiencing recurring unrest.

Last month, Peruvian President Alberto Fujimori conducted an election that the Organization of American States (OAS) election observation mission termed "far from free and fair." The OAS mission carefully documented a number of key failings including the government's manipulation of key institutions, harassment of opposition candidates, lack of balanced access to the media, illegal use of state resources by the government, and the need for improved election management.

I have been a strong supporter of U.S. engagement with Peru on counter-narcotics matters. I will continue to support our counter-narcotics cooperation with Peru.

However, We cannot ignore the fact that Peru's increasingly authoritarian and repressive government has hollowed out that nation's democratic institutions to perpetuate itself in power. As a nation, we must be prepared to respond to this challenge.

If elections in Peru and Haiti are not free and fair, we cannot pretend that they are. We must not allow ourselves to lulled into complacency. Undemocratic elements throughout the hemisphere are carefully watching our reaction to the manipulation these recent elections.

In Mexico, National Democratic Institute for International Affairs election observers have pointed out that "Unfortunately, it is widely believed that the closeness of the election has led to certain practices, particularly by the ruling party, that are reminiscent of past elections." We should not ignore this kind of warning about a nation as important to us as Mexico.

With a few notable exceptions, the response from our neighbors in the hemisphere to recent threats to democracy has regrettably been muted. Brazil in particular has not risen to provide sorely needed leadership.

What we do here and now in the face of what is happening in the Americas will define how we, as a hemispheric community, will respond to the continued erosion of democratic institutions and the other serious security and economic crises we face.

Leaders in countries who not long ago looked to the United States to help them recover their own nations' democracy need to think hard about this critical juncture in our history. They should join with the United States in defending democracy. By the same token, our own administration cannot afford to coast until November. The wake up call is well upon us.

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LINE 1055

Question for
Principal Deputy Assistant Secretary Lino Gutierrez
By Rep. Robert Menendez
House International Relations Committee
June 14, 2000

Support to the African Development and Inter-American Foundations

Question:

"…does the Department, since it doesn't support earmarks, not support the African Development Fund?

"Because we have an African Development Fund, and we seek to fund it annually, and we do fund it annually, and I think it is important. And as the former ranking member of the African Subcommittee I support it.

"But I do not see how you can say that an African fund is supported by the Department, which I believe it does, and then say the Latin American Development Fund here at the doorstep, at the front porch, at the very entrance to the United States, with direct relationships between questions of biodiversity, questions of immigration, questions of drug interdiction, questions about developing greater markets, questions of movement of health problems across borders makes less sense in terms of the development fund."

submitted for the record.

Answer:

The Administration opposes earmarks because they limit our flexibility in the already under-funded foreign operations account, but we made specific funding requests for both the African Development Foundation and the Inter-American Foundation. We agree with you that these are important organizations that we should support. Our request was $20 million for the Inter-American Foundation for FY 2001 and $16 million for the African Development Foundation. We understand that the current Senate version of FY 2001 funding would provide no funds towards our Inter-American Foundation

request, and that the House version would provide $16 million. We continue to support full funding for both of our requests for the reasons you stated.

TESTIMONY OF REP. JOHN CONYERS, Jr.
HOUSE INTERNATIONAL RELATIONS COMMITTEE

Subcommittee on Western Hemisphere

"Challenges to Hemispheric Democracy : Elections, Coups and Instability"

June 14, 2000

I would like to thank my good friend, Chairman Gallegly, and the Ranking Member, the gentleman from New York, Mr. Ackerman, for allowing me to testify today. I would also like to thank Chairman Gilman and Ranking Member Gedjenson for their continued interest in the Republic of Haiti.

On May 21, 2000, the Haitian people showed their strong desire for democracy. It was clear in the early morning hours, when at 5:30 am, dozens of voters were already waiting in line to cast their vote to shape their future. Prior to the elections of May 21st, many naysayers predicted that either the elections would not take place or that the elections would take place in an atmosphere of intimidation and fear. Forecasting that the elections would have low turnout and a high rate of violence, the naysayers predicted the high registration that Haiti experienced was due to the people wanting an identity card and not due to the people wanting democracy. Clearly the naysayers were wrong, not only was there a high turnout and very little election related violence, but the democratic process worked exceptionally well.

On May 21st, I led a congressional delegation to Haiti for these elections consisting of Congresswoman Corrine Brown, Congressman Bill Delahunt and myself. We witnessed dedicated voters, serious about their role in the democratic process. We witnessed diligent poll-workers who carried out their roles with careful deliberation and great professionalism. We witnessed party observers who monitored the BV's(polling stations) from dusk to dawn. We witnessed international observers led by the OAS (Organization of the American States) who canvassed the entire Haitian countryside providing an international presence. We witnessed the Provisional Electoral Council, (CEP), administer an extremely complex and difficult process with great aplomb. The Haitian people were able to accomplish this giant first step towards democracy with little or no help from the

US despite the US's constant criticism of this nation which is in its infancy of democracy.

The AP reported that, "Last week, millions of Haitians braced under a scorching sun and the threat of violence and voted. According to official records about 60 percent of the three million eligible voters went to the polls, surpassing many established democracies." Speaking of the impressive numbers, the Associated Press said that "more than 2 million Haitian voters — an estimated 60% of the electorate — cast their ballots in the elections." We noticed that this is considerably higher than the 38% turnout in the US Congressional elections of 1998.

The elections were relatively free of violence and we witnessed a firm commitment from Haitian citizens to have democratic elections. We observed great levels of voter participation and an overwhelming sense of civic pride, and concerted efforts towards the conduct of credible elections.

Despite problems, both the National Council of Election Observers and the Organization of American States Election Observation team said the elections were acceptable. The OAS based its findings on reports of some 200 foreign observers who monitored over 700 polling stations. For the first time Haiti had a large and organized national network of non-partisan election monitors playing a crucial role in support of electoral transparency and integrity.

Without doubt there were irregularities that occurred in the election which have been conceded by the CEP. Also, there is the post-election problem of the vote count. However, CEP President Leon Manus, has stated in writing that "None of the Senators have been elected yet and partial results have been published but **no definitive results have been proclaimed."** Further, Manus stated," For the time being some candidates are in the lead and may even take a significant lead over some candidates, but no candidates has been elected yet. Even though many people think the contrary, many candidates already have to go to a second round."

Now that the Haitian people have taken their first giant step towards democracy, we must support them as they go into their second round of elections. It is important that the US acknowledge the good job that the Haitian people have performed in the first round of elections. However, it is more imperative that the US express its support for the Haitian democratic process by urging all

participants in the process to once again come out and show their civic pride by participating in the second round. I intend to return to Haiti on June 25th to observe the second round of elections and I invite every member of the House International Relations committee to join me. The elections and Haiti's continued growth in democracy is that important. To Haiti and to the US.

It is my sincere hope that based on election histories that we've experienced in the US that we will not hold this nation to a higher standard than is appropriate. Based on the huge turnout and the diligence with which the Haitian poll-workers administered their task, we hope that the OAS and our US government find that the fourth election for this country in over 200 years at least meets minimum credible standards with the expectation that the future elections that are scheduled this year will enjoy a more efficient and improved process.

A review of election procedures and constitutional issues involved in US elections would be instructive for many of the Haitians in the political process and perhaps for us as well. It might lead some of us to suspend the critical judgment that we can impose on a small, impoverished nation struggling to emulate the democratic ideals of this great country.

Fellow members of Congress, I say to you that the Haitian people have shown their thirst for democracy — over 4 million people, nearly 90% of those eligible to vote, registered; over 2 million registered voters, nearly 65% of those registered, voted in the past election. More than 29 thousand candidates competed for 19 thousand local, regional and parliamentary offices. Haiti has reached n important milestone but at the same time is at an important crossroad. We, the US must continue to work with Haiti to ensure it remains on the democratic path. We must stay the course — strengthening democratic institutions, promoting transparent and responsive government and laying the groundwork for sustainable economic growth.

STATEMENT
BY AMBASSADOR LINO GUTIERREZ

PRINCIPAL DEPUTY ASSISTANT SECRETARY
FOR THE
BUREAU OF WESTERN HEMISPHERE AFFAIRS
DEPARTMENT OF STATE

BEFORE
THE SUBCOMMITTEE ON WESTERN HEMISPHERE
OF THE
HOUSE INTERNATIONAL RELATIONS COMMITTEE

ON

"CURRENT ISSUES IN THE WESTERN HEMISPHERE REGION"

Wednesday, June 14, 2000

Mr. Chairman, recent events show that democracy remains vulnerable in some countries in the Western Hemisphere. It is important to remember, however, that democracy is a continuing process, not a final achievement. Despite some interruptions, we believe that, overall, democracy in this Hemisphere continues to flourish. Just last week President Zedillo from Mexico was in the United States and right now President de la Rua is here from Argentina. These two visits are illustrative of our continuing engagement with our neighbors in support of the consolidation of democracy. It is difficult to be grim when you look at the facts. Thirty-four of the 35 governments of the region came to power through the ballot box. Regional integration and interdependence are strong and continuing to increase. This means that more than in any other region of the world, events in the Western Hemisphere have a direct impact upon the lives and livelihoods of Americans on Main Street. Therefore, the Western Hemisphere and our commitments there are vitally important to the United States, vitally important to our security, to our economic well being and to the future of our children. It is essential, therefore, that the Administration and Congress actively work together to manage and resolve challenges and to take advantage of opportunities in the Hemisphere as they arise.

While democracy is more widespread than ever, recent events remind us that democratic progress in the Americas is neither immutable nor uniform. In many countries, democratic institutions are weak or corrupt. Achieving free elections is only half the battle; the harder part is creating institutions that respond to the needs of citizens. Judicial systems in the Hemisphere are often cumbersome, anachronistic, and do not provide equal access to justice for all citizens. Some legal codes date back to the 19th century and have not been reformed to take into account modern crimes like those related to narcotics, cyber crime, international property rights violations, and money laundering. In many countries, there is no tradition of sharing power or compromise -- many political parties have a win-at-all cost mentality. Corruption is an evil that dates back to colonial times, and it continues to divert public funds into the pockets of corrupt officials and undermines faith in democratic institutions. These are challenges democracies continue to face in varying degree everyday.

Perhaps the most important challenge to democracy in the Hemisphere is poverty. Abject poverty is still a way of life for over 150 million people in the Americas. About 1/3 of people in the hemisphere live on 2 dollars a day or less. The income disparity in the region is worse than in any other. Until democratic leaders can show progress in attacking poverty, democracy in the Hemisphere will not be complete -- and will not be secure.

Indeed, opinion polls in some Latin American countries reveal that while publics endorse democracy as a philosophical concept, they are less than satisfied with its performance. A critical element in the success of a democracy is that it must deliver on its promises, must provide dependable public services, justice, and security, a decent living standard, and hope for the future. The public's desire for results -- and the failure to deliver them -- have led to the rise of a new generation of demagogues and populists whose democratic credentials are suspect.

Let us turn to the situations in the seven countries that the Subcommittee has asked me to address. Challenges in these countries touch on fundamental concerns such as supporting and building democracy, promoting

internal peace and stability and defeating the scourge of narcotics trafficking.

Peru: Elections

Peru's experience with democracy has been checkered. The recent second round of elections illustrates my point. Despite requests from the Organization of American States, the U.S. government and the international community to postpone the May 28 presidential elections in order to verify conditions for a fair contest, President Fujimori chose to go ahead with the contest. Opposition candidate Alejandro Toledo decided not to participate in the elections and called on supporters to boycott or to cast null votes. Domestic and international observers, including the OAS, did not monitor the contest and left Peru.

President Fujimori won the May 28 elections with 51 percent of the votes cast. Peruvians reflected political polarization with their ballots. Almost half cast votes in favor of Toledo (17%) or deliberately spoiled ballots in protest (32%). Tens of thousand protested the contest across Peru with minimal violence.

The OAS Electoral Observation Mission called the electoral process flawed. We support their findings. The elections were not free and fair. The resolution approved at the OAS General Assembly last week reflects our concerns regarding the credibility of the electoral process. This resolution is an important building block for restoring democratic institutions in Peru. It instructs OAS Secretary General Gaviria and Canadian Foreign Minister Axworthy to go immediately to Peru to develop recommendations and an action plan to reform the judiciary and electoral systems and strengthen press freedom. They must aggressively institute a process with strict requirements, follow-up, and high level consideration of any Peruvian action. The Mission will report back to the OAS Foreign Ministers for endorsement of the plan and to ensure active OAS follow-up.

We support the OAS Mission, which carries the full weight of the hemisphere behind it. We want to give this initiative time to prove itself. However, we fully share

the concerns expressed by Congress in Senate Joint Resolution 43 that our relationship with Peru be reviewed in the wake of the lack of free and fair elections. We have therefore stated publicly and privately to the Government of Peru that the U.S. reserves the right to draw its own conclusions and take its own action in response to the process made by the Government of Peru towards implementing meaningful democratic reform.

Haiti: Elections

In Haiti events spiraled out of control in the early 1990s and required in 1994 the intervention of a multinational force, including some 20,000 U.S. troops, to restore order and return to office the democratically elected government.

Significant strides have been made since 1994 to alleviate hunger, build basic institutions, increase access to education and health care, combat environmental degradation, and incubate civil society and a free and active press. Still, we must acknowledge that Haiti has not fulfilled many of the heady expectations associated with the restoration of that government.

Indeed, since the January 1999 dissolution of Haiti's parliament following the government's failure to organize required local and parliamentary elections, most of the country's local and national governmental bodies have been either absent or unable to fulfill their critical role in helping Haiti progress toward addressing its most severe challenges. To end this irregular situation, the United States - including many dedicated members of this sub-Committee - has devoted considerable effort and expended some $20 million to bring about a free, fair, and transparent election. Our efforts have included programs to support civic education and institutions of civil society.

On May 21, the first round of the long overdue local and parliamentary elections was held. Voter turn out was high, as Haitians from all walks of life embraced this democratic exercise required to get the country back on the path of reconstruction and development. Voting took place in a peaceful manner, with the Haitian National Police working effectively to ensure the security of all participants. Many international observers - including a

Congressional delegation headed by Representative John Conyers were present.

The post-election period has been beset with serious problems, however. The most prominent problem thus far is the possible use by the Provisional Electoral Council of a methodology that fails to tabulate all valid votes cast in the Senate races, as prescribed in the election law. This alternative methodology would seriously distort the outcome of those races. The Organization of American States' (OAS) Electoral Observation Mission has requested a re-tabulation of votes fully consistent with the guidelines. We support the OAS position.

We urge Haitian authorities to apply, transparently and completely, their own election law. We urge all political parties and actors to stay in the process. To the extent that political parties have concerns about certain irregularities that occurred during the electoral process, they should follow the established procedures of filing "contestations" with the CEP for review.

The stakes in Haiti's electoral process are high. This process - which anticipates a run-off election on June 25, the seating of a Parliament by mid-July, and Presidential elections in November - is the means through which democratic and fully responsible government can be restored and empowered to address the legacies of two centuries of authoritarian regimes. With dignity and a commitment to the principles of democracy the Haitian people voted on May 21 for an end to hunger, poverty, illiteracy, disease, and corruption. Their expectations must be validated by a process that is fully credible, free, fair and transparent - from its start on the day of the vote to its end when the votes are tabulated and the newly elected officials are installed into office. The Haitian people deserve nothing less.

Venezuela: Postponed Elections

Venezuela's lengthy political transition continues. The Supreme Tribunal, Venezuela's Supreme Court, postponed the country's presidential, legislative, state, and municipal elections scheduled for May 28. It did so in acknowledgement of continued serious technical problems in the automated voting system. It was the right decision.

The Electoral Commission had continued to accept changes in the candidate lists far beyond the announced deadline. This made it impossible to complete the programming of the computer equipment, to test the equipment, and to provide adequate information to voters in advance of the complex elections that involve over 32,000 candidates running for 6200 positions.

The Tribunal acted in response to a petition from concerned NGOs -- a positive sign, in our opinion. The engagement of civil society in highlighting the need for postponement was a sign of mature democratic process; so was the decision of the Venezuelan authorities to support their request before the Tribunal.

The election officials responsible for the problems have now been replaced by well respected, apolitical individuals nominated by a variety of non-governmental institutions and vetted by a roundtable of representatives of civil society. The improved process should add to both the fairness and the legitimacy of the elections. The Congresillo, the interim legislature, has not yet set a new date, but July elections are possible. The U.S. government provided financial support for both an OAS election monitoring mission and a Carter Center mission, which played constructive roles during the campaign. We anticipate providing the same level of support in the upcoming elections as well.

Mexico: Upcoming Elections

Mexicans will go to the polls on July 2 to elect a new President and a new Congress. It's no exaggeration to say that these elections are a potential watershed in Mexico's democratic evolution: the campaign has been the most open in Mexico's history, and we expect the vote itself will be too. Polls suggest a close race between Vicente Fox, of the opposition "Alliance for Change," and Francisco Labastida of the governing PRI. There is the real possibility that the opposition will win, ending the PRI's 70-plus-year grasp of the presidency. However, at this point there is also a chance that the PRI will take the presidency in a fair count.

There has been public speculation in Mexico and elsewhere about the possibility of electoral fraud. But a vast and impressive array of safeguards has been created

over the past six years to prevent systemic fraud and guarantee the integrity of the Mexican vote.

We have confidence in Mexico's independent "Federal Electoral Institute" (IFE), which is charged with organizing and managing the elections. It has done a great deal already to level the political playing field and set the stage for free and fair elections.

Since 1994, in mid-term congressional and local elections the opposition has made unprecedented inroads. Over a third of all Mexicans live in states run by opposition governors, and the PRI no longer has a majority in the Mexican House.

We expect there will be a number of international observers in Mexico for the election. The Mexican government, the IFE, and the political parties themselves have welcomed this. The U.S. is funding an electoral observation mission organized by the International Republican Institute and the National Democratic Institute, and various other U.S. NGOs are sending observers too.

Paraguay: Political Stability

Paraguay is a democracy today, even though it is a country that has little democratic tradition. After emerging from the long shadow of the Stroessner dictatorship in 1989, Paraguay introduced a new constitution in 1992 that established a democratic system of government and dramatically improved protection of fundamental rights. Yet there has been only limited progress in strengthening democratic institutions in the last decade. Difficult relations with the military and political infighting have also meant instability in the presidency.

The emergence of a coalition government last year after the tragic assassination of Vice President Argaña and the resignation of President Cubas gave Paraguayans reason for hope. However, the unsuccessful coup attempt of last May 18-19 demonstrates that Paraguayan democracy continues to face serious challenges. These include corruption, economic stagnation, rural discontent, and some antidemocratic elements among the middle and lower ranks of the military. There are significant factional divisions

within both parties in the governing coalition as well as within the opposition. These challenges have complicated the government's ability to govern effectively.

It is important to note the lack of military, political, or popular support for the unsuccessful uprising, which was led by supporters of former general and convicted coup plotter Lino Oviedo. Although about 150 retired and active duty members of the military participated in the coup attempt, the military leadership and the vast majority of military units demonstrated their commitment to democracy, civilian control, and the constitutional order. Since the assassination of Vice President Argaña in March 1999, Oviedo appears to have lost much of his public support, and he remained a fugitive from Paraguayan justice until his arrest by Brazilian authorities on June 11.

Nonetheless, much of the population lacks hope, and few see the current situation as acceptable. We continue to urge Paraguay's leaders to agree on a vision for the country, take sustained action against criminal activity and corruption, and implement economic reform. These steps are necessary if Paraguay's democracy is to be secure.

Ecuador: Political Stability

While Ecuador still faces challenges to its democracy and political stability, the situation has improved dramatically since January of this year, when field-grade Ecuadorian military officers and indigenous leaders attempted to install a new government. As this revolt developed and both the military and the police declined to enforce public order, the United States, Ecuador's neighbors, and the OAS Permanent Council immediately issued strong statements rejecting any interruption in the democratic, constitutional order. In a radio interview heard throughout Ecuador and across the continent, Acting Assistant Secretary Peter Romero warned Ecuadorian listeners that an interruption of the democratic process would immediately trigger far-reaching sanctions. Facing the prospect of political and economic isolation, senior military leaders closed down the fictitious "junta" -- but only after President Mahuad had been forced to take refuge outside the presidential palace. Vice President Gustavo Noboa, next in the line of constitutional succession, assumed direction of the government. On January 22,

President Mahuad urged the country to support Noboa as his constitutional successor, and congress confirmed Noboa that day.

Ecuador continues to face challenges, but it is making progress. The Noboa government has been able to pass through congress badly needed economic reforms and begin the process of implementing those changes. Members of his administration have met with indigenous communities and sought to meet some of their pressing social needs through increased government spending on social programs targeting the poor. Military leadership has been changed, removing those who did not act in support of Ecuador's constitution or its leaders. The government has announced it will raise the pay of the military rank and file. An amnesty to those involved in the failed coup attempt has created the possibility of reconciliation and has helped defuse a potentially explosive situation while allowing military authorities to impose administrative sanctions against participants.

On May 25, the Noboa administration announced fiscal reforms such as subsidy cuts on certain petroleum products, combining the cuts with salary hikes for public workers and an increase in "solidarity bonds" used as a social safety net. Protests have so far been muted. An IMF team is currently in Ecuador to examine the fiscal implications of these measures, as well as banking sector developments, and other issues in the context of its first bimonthly review of Ecuador's IMF Standby program.

The next few months will be critical to the success of Ecuador's economic reform. President Noboa has been making the right political and economic moves and appears committed to the long-term success of Ecuador's transformation. Noboa recognizes that only through these strict reforms can Ecuador improve economic conditions and opportunities for all of its citizens. For the sake of the country's political stability, he must provide the leadership to convince the majority of Ecuador's citizens of this reality.

Colombia: Counternarcotics Delay in Funding

In the Pastrana Administration, the U.S. has a full and committed partner that shares our counternarcotics goals in Colombia and is dedicated to complete cooperation on the full range of counternarcotics efforts. Delays in

implementing the U.S. assistance package for Colombia, however, will not only adversely affect the counternarcotics efforts made by the Government of Colombia, but also our own efforts to upgrade the Government's ability to counter this threat. Illegal drugs cost our society 52,000 dead and nearly $110 billion dollars each year due to health costs, accidents, and lost productivity. Ninety percent of the world's supply of cocaine is grown, processed, or transported through Colombia. The U.S. Drug Enforcement Agency estimates that up to 75 percent of the heroin consumed on the East Coast of the United States comes from Colombia. Because of this direct impact on our well being we appreciate the House's rapid action in response to the Administration's supplemental request.

With the delay in funding, Colombia's drug production can be expected to continue its massive expansion. In 1999 the U.S. sprayed over 42,000 hectares of coca and over 8,000 hectares of poppy. Despite this, coca cultivation in Colombia reportedly increased by over 20,000 hectares during the same year. Yet, we have now actually had to cut back our aerial fumigation operations by 50% and lay-off spray pilots because of funding shortfalls. This means nearly 5,400 acres per month are today not being taken out of cultivation that would have been if the cutbacks were not required. We have also been unable to begin a significant planned expansion of eradication capability. Left unchecked, skyrocketing trends in Colombian production will also reverse impressive progress in Bolivia and Peru (coca cultivation down 55% and 66% since 1995).

We have also had to suspend forward deployment of the UH-1N helicopters intended to provide air mobility to the first counternarcotics battalion because of the lack of funding for additional flight hours, training, repair parts, fuel and other logistics support. Without these helicopters, the Colombian army's first counternarcotics battalion -- specifically created with U.S. funds to go after drug targets -- has not been able to complete its training to be fully prepared to conduct effective operations.

In the field of drug interdiction, the delay will result in no upgrades for detection and monitoring aircraft before January 2001, derailing a project that promises to have immediate results. It will also preclude secure

communications for the Colombian Navy and Marines and eight fewer riverine groups conducting operations. Finally, the Colombian National Police will be denied critical force protection improvements to its existing forward bases, secure communications, and an additional airmobile unit.

In addition, the funding delay will allow the insurgent groups to earn greater profits from drugs, and become better armed and equipped and emboldened as a direct result. Moreover, no new alternative development programs -- offering coca growers an opportunity to develop legal crops -- have been started. Currently there are no alternative development projects underway in the prime coca-growing regions of Putumayo and Caqueta.

Other inter-related programs to be funded by the Colombia emergency supplemental package are also on hold, including those that would strengthen the justice system, local government and civil society, as well as increase our assistance to internally displaced persons. Additionally, without a firm U.S. commitment, potential European donors to Plan Colombia are more reluctant to provide assistance.

Conclusion: Strengthening Democracy

As can be seen, despite real progress over the last ten to twenty years, many democracies in the Hemisphere face serious challenges. What can we do to encourage the strengthening of these democracies? First, we have to ensure civil political dialogue remains the norm. We must all encourage the resolution of crises through peaceful and constitutional means rather than through bloodshed and military coups. We must assist leaders in their efforts to engage in mature discussions with each other and with their populations to examine and resolve problems. This means politics must be open to new voices, including those representing traditionally disenfranchised minority viewpoints. At the same time, in some countries we have seen the breakdown of traditional political party systems. The rise and fall of individual parties may be inevitable. That said, political parties remain a vital mechanism for promoting dialogue and channeling public participation. Without them avenues for legitimate expression grow narrower.

Second, we must do all that we can to strengthen regional mechanisms to meet these challenges of the 21st

century. Key to realizing the full potential of democracy in Latin America and the Caribbean is to enable hemispheric leaders to recognize these strains on democracy and to work together through the OAS and the Summit of Americas process to meet the challenges head on. OAS Resolution 1080 allows member states to convoke an extraordinary meeting of the OAS foreign ministers whenever there is an interruption of democracy. We are working to further strengthen the capacity of the OAS to assist in buttressing democracy throughout the region. Toward this end, we supported an OAS resolution approved by the General Assembly in early June in Windsor, Canada. It strengthens the Secretary General's hand by giving him the resources to send special missions where internal conflicts could lead to an interruption in the democratic process.

The destabilizing threats posed by income inequality and poverty must also be addressed. Through improving basic social services, health care, and education, governments can help to broaden the reach of economic opportunity. By providing opportunities and incentives many elements of society can be pulled into the political and economic mainstream and thereby strengthen democracy.

Non-governmental organizations also play a role that has grown exponentially in the past decade and will continue to expand as civil society in Latin America and the Caribbean takes root. Civic, professional, and regional organizations reach out to their counterparts in other countries on an ever more frequent basis. "People to people" ties promote mutual understanding and are a driving force for further regional integration.

The Western Hemisphere faces tremendous challenges. The roots of democracy in our hemisphere, while widespread, are still shallow. Events in Paraguay, Peru, Ecuador and elsewhere reflect the vulnerability of democracy in some countries. The overall trend toward democracy, however, is positive. Never have as many citizens of the Hemisphere freely elected their leaders, been able to read free newspapers, join non-governmental organizations, and freely express their views without fear of persecution. Militaries no longer fuel or dominate governments throughout the region. It is absolutely critical that the general publics see that democratic governments can materially improve their lives and their futures. Nations today cooperate with each other as never before, to address

threats such as narcotics and arms-trafficking, corruption, money laundering—issues which respect no borders, or deal with common social issues such as indigenous rights, the rights of women, the environment and confidence-building security measures. Moreover, those who would attempt to subvert the democratic process in the Americas will face a united hemisphere opposing them.

This is not to say that democracy in the region is home free, far from it. There will be occasional setbacks. There is no question that we must remain engaged. I am convinced, however, that the citizens of Latin America and the Caribbean will fight to preserve the freedoms that took so long to achieve. I look forward to working with you to do our best to help them. Thank you very much.

Ambassador Lino Gutiérrez
Principal Deputy Assistant Secretary of State
Bureau of Western Hemisphere Affairs

Ambassador Lino Gutiérrez assumed the position of Principal Deputy Assistant Secretary for Western Hemisphere Affairs in August of 1999.

From November 1996 to July 1999 Mr. Gutiérrez served as United States Ambassador to Nicaragua. During his tenure, Ambassador Gutiérrez coordinated the U.S. relief effort in Nicaragua following the devastation of Hurricane Mitch in October 1998. He received President Clinton when he visited the hurricane-affected areas in March 1999, the second visit by a U.S. President to Nicaragua.

A career diplomat, Ambassador Gutiérrez entered the Foreign Service in 1977 and was assigned to Santo Domingo, Dominican Republic. In 1979, he was posted to Lisbon, where he served in the Political Section. Two years later he was named Officer-in-Charge of Nicaraguan Affairs. He also served as Chief of the Political Section in Port-au-Prince, Haiti from 1983-85 and as Officer-in-Charge of Portuguese Affairs, 1985-87. Mr. Gutiérrez participated in the Grenada operations of October 1983.

From 1987 to 1990, Mr. Gutiérrez was posted to Paris, where he directed the Embassy's Internal Political Unit. After completing that assignment, Ambassador Gutiérrez served as Deputy Chief of Mission in Nassau, Bahamas, until 1993. Between March and July of 1993, he served as Chargé d'Affaires in Nassau. From June 1994 until July 1996, he was the Director of the Office of Policy Planning, Coordination and Press in the Bureau of Inter-American Affairs. He assumed his duties as Ambassador to Nicaragua in December of 1996, until July, 1999.

A native of Havana, Cuba, Ambassador Gutiérrez was born on March 26, 1951. He attended the University of Miami and the University of Alabama, where he received a B.A. in Political Science (1972) and an M.A. in Latin American Studies (1976). Between 1973 and 1975, he was a social studies teacher for the Dade County School System and the Urban League in Miami, Florida.

Ambassador Gutiérrez is a recipient of the Department of State's Superior Honor Award (twice) and Meritorious Honor Award (three times). He is married to the former Miriam Messina of Santo Domingo. The Gutiérrezes have three daughters: Alicia (22), Diana (18), and Susana (14).

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