

Ecuador's president urges calm

Free-trade protests lead to resignation of interior minister

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QUITO, Ecuador -- President Alfredo Palacio urged Ecuadoreans to defend the nation's fragile democracy amid protests by Indians opposed to free-trade talks with Washington that have led to violent clashes with police and the resignation of the interior minister.

The unrest spread from the highlands into the oil-producing southeast jungle, where police clashed with residents demanding more spending on public works and protesters took 15 soldiers hostage.

Palacio said in a nationally broadcast address late Wednesday the protests were the result of "deceptive politics that seek to perversely tear apart the nation."

He called on Ecuadoreans to "close ranks" to defend the country's fragile democracy ahead of elections in October and said he had met behind closed doors with the presidents of Congress and the Supreme Court to seek their support.

Interior Minister Alfredo Castillo's resignation Wednesday came a day after he warned that successive protests -- not only by Indians but also contracted oil workers and jungle residents -- could lead to "another coup."

Ecuador has had three presidents forced from power since 1997.

Castillo quit amid criticism that he was disloyal to Palacio after making comments that appeared to support the Indians' demands.

The Confederation of Indigenous Nationalities of Ecuador, the nation's main Indian movement, started blockading roads and highways Monday with burning tires, rocks and tree trunks and have threatened to overthrow Palacio's government if he signs a free-trade pact with the United States.

They also have demanded that Ecuador cancel oil concession granted to U.S.-based Occidental Petroleum Corp., which has been embroiled in tax and contract disputes with Ecuador's government since August 2004.

"We have achieved a negotiation based on mutual respect," Palacio said of the free-trade talks. "I have declared that we would negotiate without giving up our sovereign national right to obtain the best trade terms to benefit our commerce, our technology, our sovereign passage to modernity."

He added that the possible cancellation of Occidental's contract was a matter of legal due-process and could not be influenced by street demonstrations.

The Indian protest broke out a day after Palacio diffused a strike by contract oil workers and two weeks after his government ended violent demonstrations targeting oil facilities in Napo province by agreeing to increase spending on social programs, roads and a regional airport.

On Wednesday, television broadcast images of soldiers firing tear gas to disperse a small group of protesters in the jungle province of Pastaza who tried to seize the facilities of Italian-owned Agip Oil Corp. to demand more government spending in their area.

Defense Ministry Oswaldo Jarrin told reporters that 15 soldiers were taken hostage in Puyo, 160 kilometers (100 miles) southeast of Quito, and that "they will be liberated by force. There is no possibility of negotiation."

Repelled from an oil installation, protesters returned to Puyo and seized the soldiers, Red Cross spokeswoman Maria Elena de Mantilla told The Associated Press. A medical team was allowed to examine the soldiers, who were unharmed, she said. About 30 people, including civilians and military personnel, were treated for minor injuries.

The Indian confederation is opposed to free-market economic policies and accuses the United States of exercising too much influence in the region.

Colombia and Peru have already signed trade deals with Washington, and Ecuador is scheduled to enter a final round of talks March 23.

Indians make up about one-third of Ecuador's 13 million residents and were the backbone of a January 2000 uprising that forced former President Jamil Mahuad from power.

But the movement lost momentum after it threw its support in the 2002 elections behind former army Col. Lucio Gutierrez.

Elected president, Gutierrez appointed several Indian leaders to his Cabinet, but his alliance fell apart within eight months after he implemented austere, free-market policies.

Congress voted to fire Gutierrez a year ago and appointed Palacio, the elected vice president, to finish his term after Gutierrez disbanded the Supreme Court and declared a state of emergency, sparking street protests in Quito.

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