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Dominican President Hipolito Mejia Under Fire After One Month in Office

by LADB Staff

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After one month in office, President Hipolito Mejia has canceled corruption charges against a former president from his governing Partido Revolucionario Dominicano (PRD), initiated corruption charges against former officials in his predecessor's administration, and launched programs to help the poor. But some critics say he has no plan of government.

On Sept. 1, Mejia told Attorney General Virgilio Bello Rosa to drop further legal action against former President Jorge Blanco (1982-1986), who was convicted of corruption in 1991 and sentenced to a 20-year prison term that is still under appeal. Also prosecuted were armed forces chief Manuel Antonio Cuervo Gomez, former police chief Juan Jose Rodriguez Ortiz, banker Leonel Almonte, and businessman Juan Tomas Pena Valentin. All were given prison terms and heavy fines. Their cases have been under appeal since 1991.

Blanco and the others were prosecuted during the regime of political strongman Joaquin Balaguer of the Partido Reformista Social Cristiano (PRSC), who was in and out of the presidency for 30 years. Balaguer's pursuit of Blanco gave the corruption charges the appearance of political revenge since Blanco headed the last government of the social democratic PRD before Mejia took office Aug. 16.

Some leaders of the Partido de la Liberacion Dominicana (PLD), ousted in the May 16 elections (see NotiCen, 2000-05-25), said Mejia had acted incorrectly by short-circuiting the appeals process. Marino Vinicio Castillo, an official in the administration of former President Leonel Fernandez (1996-2000), called it an "irregular administrative pardon," and objected to Mejia's description of the case against Blanco as political persecution.

Mejia levels charges at previous administration

As he ordered the case against Blanco dropped, Mejia began reviewing contracts emitted by the Fernandez administration and signaled a new round of corruption charges against former top officials. In the presidency less than a week, Mejia set up an audit office (Unidad Revisora de Contratos) to fulfill a campaign promise to weed out corruption in government contracting practices.

The office will review every contract issued by the Fernandez administration, including contracts for public works, contracts with the private sector to capitalize state enterprises, and contracts with foreign companies. A government spokesperson said any contract found to be contrary to national interests or signed under irregular circumstances would be voided.

In early September, presidential legal advisor Guido Gomez Mazara filed corruption charges against Fernandez's Plan de Emergencia director Luis Inchaustegua for misappropriation of US \$10.6 million. Mazara alleged that Inchaustegua's cousin deposited 18,000 checks from the Plan de

Emergencia in her personal bank account. Inchausteguia denied the charges and called them "a political show." Besides pursuing corruption in the Fernandez administration, Mejia has found fault with his predecessor's handling of the economy. He said Fernandez left him with huge debts and a looming economic crisis because he had not raised gasoline prices as the world price of crude rose leaving Mejia to do it.

In an interview with the daily *Listin Diario*, Mejia said Fernandez had promised to settle all debts and adjust gasoline prices before leaving office, but "Fernandez thought it would be better for him to try and leave unscathed at the end." Included in the internal debt is an unpaid bill of US \$23.7 million for construction of new electricity generating plants. Economist Andres Dauhajre said Mejia had inherited many other economic problems including banking instability, foreign debt, and shortfalls in energy production.

In the first seven months of the year, he said, the Central Bank spent US\$250 million in reserves in bailouts for the public sector. Despite the crisis, Mejia promised that public employees would receive their customary Christmas bonus. Mejia said he was looking for relief from high oil prices through a proposed agreement with Venezuelan President Hugo Chavez to supply oil at lower prices. In the meantime, recovery is blocked by the rise in the world price of crude, which will cost the Dominican Republic an extra US\$500 million this year, Mejia said. At the same time, world prices for Dominican products such as sugar, meat, and cacao are dropping.

Administration pledges to transform Azua province

Mejia quickly moved to show he would fulfill his campaign promises to reduce poverty and to invest in social programs. He has ordered Cabinet ministers to begin a major public-works effort in the southern province of Azua. The government would convert the province into an important manufacturing center, he said. Included in the building plans are a hospital, street construction and repair, construction of 26 schools, reforestation and other environmental projects, and a US\$3.1 million investment in agriculture.

Kicking off the plan in the province's capital, Mejia told reporters that public works of social benefit would have priority over improvements in airports and tourist hotels. He said that investment in projects that do not directly benefit the poor would have to come from the private sector. "It's not up to me to construct pretty buildings and luxury apartments," Mejia said. "We are going to work on housing for the poor."

In one area, Mejia gave some credit to Fernandez. Before he became president, Mejia criticized Fernandez for frequent and expensive travel abroad. Since his inauguration, however, Mejia has made several foreign trips. He has publicly apologized for criticizing Fernandez, and now says the former president's trips were a "significant labor."

Nevertheless, Mejia has stressed frugality in his administration. While in New York for the UN Millennium Summit in September, he promised a public accounting of his expenditures on meals and lodging. He also decreed a salary reduction for himself, his Cabinet, and other government officials. The reductions will be for a four-month period and will range from 5% to 15%. The savings will go into a social-development fund to ease poverty.

Critics assess results of Mejia's first month

Despite his efforts to show concern for the poor, Mejia has been criticized for inflationary policies such as raising gasoline prices and devaluating the currency by 2%. Mejia's attacks on Fernandez released the former president from his promise to give the new president the customary 100 days free of political carping. Fernandez promptly answered Mejia's accusations, denying he was responsible for an economic crisis. "At the end of our governmental efforts, the Dominican economy had experienced a 10.5% rate of growth from January to July," Fernandez said.

Fernandez said the economy he left to Mejia was "dynamic" and "stable," and that it was up to Mejia to maintain it. Others in the opposition began attacking Mejia as well. Max Puig, head of the Alianza por la Democracia, said Mejia had not put forth any programs. Puig said Mejia and the PRD had a mandate to govern, but the people expected him to offer a "serious and coherent" blueprint.

Political analyst Julio Martinez Pozo thinks Mejia can do little to make fundamental changes even if he wants to. "If he were to break with the oligarchy and pass just, equitable tax legislation, his stay in power would last as long as a cockroach in a henhouse." [Sources: Spanish News Service EFE, 09/01/00, 09/08/00; El Nuevo Herald (Miami), 09/04/00, 09/09/00; Listin Diario, (Dominican Republic), 08/20/00, 08/21/00, 08/22/00, 09/09/00, 09/10/00, 09/12/00; Notimex, 09/25/00]

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