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Folder Title:
POTUS Visit to Mexico 11/26/90 [OA 7563]

Stack:	Row:	Section:	Shelf:	Position:
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(Smith/Gamey)
November 15, 1990
2 P.M.
MEX

PRESIDENTIAL REMARKS: BARBECUE
AGUALEGUAS, MEXICO
MONDAY, NOVEMBER 26, 1990
1:45 P.M.

President and Mrs. Salinas, Secretary Mosbacher, Secretary Brady, Ambassador Hills, Ambassador Negroponte [NEG-ro-ponti]. Let me say how pleased Barbara and I are to be in your home town of Agualeguas [AG-WA-LAY-GWAS]. We are delighted to spend the kind of informal time together we shared at Camp David last year.
//

To Mayor Reynaldo Canales Vela [VAY-la], and the people of this wonderful village: We are thrilled to join you, and thank you for your hospitality. You have shown anew the kindness for which Mexico is so famous. //

((Barbara and I loved the barbecue. That goes double for the rodeo. It's amazing to me how a cowboy can chase down a steer, throw a rope around his neck, wrestle him to the ground, and tie his legs. // I have a tough time just catching a fish.))

I first met President Salinas two years ago in Houston -- and was moved by how he understood the needs and feelings of the people of Mexico. Since then, we've come to know each other better -- and at no time more than today. //

Being here in President Salinas's hometown allows me to appreciate your values of community and hard work, love of country and of God. / I am told Agualeguas means "Far Waters."

President Salinas has traveled far to advance peace and prosperity. Yet never has he forgotten the roots and the values of his youth. //

Octavio Paz, your beloved Nobel Prize winner for Literature, has spoken of mankind's "unity of purpose." Today shows the unity that links our two Nations as allies, and neighbors. Again, our thanks to all of you. And, Mr. President, thank you for having us here among your family and friends.

#

(Smith/Garmey)
November 16, 1990
7 A.M.
CASINO

PRESIDENTIAL REMARKS: CASINO MEETING
MONTERREY, MEXICO
TUESDAY, NOVEMBER 27, 1990
11:45 A.M.

Secretary Serra, Secretary Brady, Secretary Mosbacher,
Ambassador Hills, Ambassador Negroponte [NEG-ró-ponti], friends.
Thank you, Mr. President, for that kind introduction.

Already, this has been a memorable visit. Yesterday, I was
President Salinas' guest in his home town of Agualeguas [AG-WA-
LAY-GWAS]. I'll never forget the great barbecue we had -- nor
the rodeo which preceded it. //

((I hadn't been to a rodeo since I hosted the seven-Nation
Economic Summit last June in Houston. Of course, I'm not
counting the times my opposition in Washington has tried to
lassoo me since then.)) //

This morning I got to thinking what a great 16th Century
writer, Bernal Diaz, once said of Mexico: "I stood looking at it
and thought that never in the world would there be discovered
other lands such as these." //

Over the last day I've learned anew the meaning of those
words. I've seen a Nation proud of **yesterday** -- and buoyant
about **tomorrow**. And thought of how our two countries are both
friends, and allies -- enhancing what is already one of the
world's broadest and most complex bilateral relationships. //

Think about it: Today, more people cross the border than ever before. / Today, more illegal drugs are being seized than ever before. / Today, more universities are developing exchange programs than ever before. / And more is being done between us to protect our environment -- up here along the Rio Grande to as far south as the tropical forests of Lacondon [La-KOAN-Doan]. //

You can see why Mexico is so strong -- and why the relationship between our Nations has never been more special. Yet it is difficult to imagine any theme more vital than the one you are discussing this morning -- how the private sector can create and, yes, expand the economic resources that sustain our relationship as a whole. //

In my travels here I've seen a symbol in all your government buildings. It's an eagle landing on a cactus -- the Aztec symbol for the founding of Mexico. // Well, this meeting can help create another historic founding -- the passage of a Free Trade Agreement between America and Mexico. //

Free trade means more jobs and productivity. Consider that Mexico is now America's third-largest trading partner -- \$52 billion in trade last year, and 1990's numbers should be even higher. / Mexico has long understood the economic importance of **America**. Finally, America realizes the economic importance of **Mexico**. / Since every billion dollars of exports creates roughly 25,000 jobs, more **cooperation** means more **ways** to make progress a reality. //

Let me say: I know there is no blue-print, no one-size-fits-all approach, to progress and reform. Each Nation in this region must decide how best to achieve economic growth. // Yet let me also add: Prosperity in this hemisphere depends on trade, not aid. Our new economic partnership can spur it through the increased investment that furthers commercial ties. //

Forty-seven years ago, the last American President to visit Monterrey spoke of these bonds. In the days to come, Franklin Roosevelt hoped, every Mexican and American President would feel at "liberty to visit each other just as neighbors visit each other" -- just, he said, as neighbors "talk things over and get to know each other." // It was this that President Salinas referred to in his recent State of the Union Address. Mexico, he said, doesn't want to be a third world Nation -- it wants to be a first world Nation. //

Already, your automotive, electronic, tourism, and other industries have shown world-class productive capability. That's good for both countries -- a Mexico that wants to get out and compete, with purchasing power and selling power. // When hard times hit Mexico in the early 1980s, our southwest border suffered. Fortunately, the same principle works in reverse. When you grow, we grow. I pledge to you: We will continue the policy of the offered hand and the open heart. //

Negotiating a Free Trade Agreement won't be easy. We will hear criticism -- just as we did when we negotiated the Free Trade Agreement with Canada. But let us not imagine what cannot

be done. Let's remember what trade liberalization **can** and has **already** done. //

Mexico enters GATT -- and bilateral trade soars by \$17 billion from the \$35 billion of 1987. / The bond industry takes hold -- and reaches growth rates of 20 percent a year, creating half a million jobs. // Virtually everyone favors free trade -- but not everyone has the vision to make it a reality. I believe Mexico and America do -- and I ask you not only to make it happen, but to make it succeed. //

We are two Nations -- but one family. Sharing the same values of hard work, belief in private enterprise, and love of God. // Thank you for what you **have** and **will** do to strengthen them. And let me leave you with these words of the great Mexican philosopher, Alfonso Reyes [RAYS], born 101 years ago: "Let us go forward together," he said. "Together in our efforts -- together in friendship and affection -- ever together." //

Thanks to my good friend President Salinas -- and to all of you. And God bless the great Nation of Mexico.

#

(Smith/Garmey)
November 16, 1990
2 P.M.
DEDICATE

PRESIDENTIAL REMARKS: STUDIES DEDICATION
MONTERREY, MEXICO
TUESDAY, NOVEMBER 27, 1990
12:30 P.M.

Secretary Brady, Secretary Mosbacher, Ambassador Hills,
Ambassador Negroponte [NEG-ro-pon-ti], Rector Farias [fa-REE-
as], Rector Rangel [RAN-hel], friends and neighbors. I want to
thank my good friend, President Salinas, for that kind
introduction. It is a delight to be with all of you. //

As I have mentioned over the past two days, we are working
to produce major advances in the U.S.-Mexico relationship -- and
we are making progress. But that progress will continue only if
we remember that education is our most enduring legacy -- vital
to everything we are, and can become. //

Today we can enrich that legacy -- making an invaluable
contribution to bilateral understanding. It will encourage our
young leaders and scholars, and link our two Nations -- helping
education create a better, more decent world. //

Education shows how dreams realized can make possible even
bigger dreams. Dreams that will keep our Nations competitive,
raise our standard of living, and improve our quality of life.
Our dreams can presage a new Golden Age of understanding,
technology, and prosperity. Showing how creativity comes from
the human heart and mind. //

Education can fulfill the words of Octavio Paz, the beloved Nobel Prize winner for Literature, who writes that for the first time in Mexico's history, you are the contemporaries of all mankind. / I applaud this Studies Institute, and pledge America's help in ensuring its success. And let me close with what Franklin Roosevelt said right here in Monterrey -- a message as relevant today as in 1943. //

Nothing is more important, he observed, than " . . . the exchange of those ideas and of those moral values which give life and significance to the tremendous effort of the free peoples of the world." // In that spirit, and with love for education and the Mexican people, thank you very much. And God bless the great nation of Mexico.

#

(Smith/Garmey)
November 20, 1990
6 P.M.
EMBASSY

PRESIDENTIAL REMARKS: EMBASSY REMARKS
BUENOS AIRES, ARGENTINA
THURSDAY, DECEMBER 6, 1990

o Ambassador Todman, Doris, friends. Thank you for that kind introduction. It is indeed a pleasure for Barbara and I to return to Argentina.

o I was last here in December 1983, when I was among those privileged to welcome Argentina back to the community of democratic Nations. I have hosted President Menem in the United States on two occasions. It is an honor to now be "en su casa" (in your home)." //

o After just a few hours here, I know why many refer to Buenos Aires as "the intellectual capital of the continent." I only wish we had more time to explore its many wonders. I also wanted to get in a set of tennis with Ambassador Rodman. The winner gets taken over to the Rio Alpa for steaks and beer. // Maybe next time. //

o From our experience in China, I realize what a burden a Presidential visit can be. I know, too, that no one can further ties between the host and visiting countries more than the men and women -- American and foreign -- who staff our embassies. Both Barbara and I extend to you our heart-felt thanks. //

o When you look at a map, Washington and Buenos Aires seem at opposite ends of the globe. // Of course, many Americans say that regarding any city and Washington, D.C. // Yet during the last two days, we've sampled a touch of America many miles from home. The reason is the kindness of both Argentines and Americans. //

o For that, we thank you -- and for helping to affirm the values which link our Nations. Think of freedom and democracy. Both countries believe in them. // Think of economic reform. Like America, Argentina has undertaken it. // Think of the work ethic, belief in country, and love of God. Never have our two countries been better allies, or friends. //

o We are two Nations -- but one family. You have helped further the ties that bind. Barbara and I salute you, and look forward to again meeting the men and women who embody America at her finest. Thank you all, and God bless the United States of America.

#

(Smith/Garmey)
November 20, 1990
8 A.M.
DINNER

PRESIDENTIAL REMARKS: STATE DINNER
BUENOS AIRES
THURSDAY, DECEMBER 6, 1990

Thank you for those very kind words. It is a very great honor for us to be received in this magnificent room, and to be received so warmly by our friend -- the President of Argentina.

((President Menem and I are tennis enthusiasts. He told me that since I brought my secret weapon -- Barbara -- to Argentina, he should be allowed a secret weapon of his own. His choice was a doubles partner: Gabriella Sabatini. // Unfortunately, Mr. President, I forgot to bring my racket.)) //

As you know, it has been thirty years since a man noted more for golf than tennis -- and most of all, for peace -- visited this capital. I will not soon forget how President Eisenhower spoke of the friendship between our peoples captured by a lyric phrase -- en su casa. //

Today -- like then -- we have marveled at the kindness of your people. // Our Nations were friends thirty years ago --and are more so now. Above all, we know -- like beloved Ike -- how democracy eclipses boundary. Democracy built on what your National Anthem refers to as the "sacred cry" of freedom. //

Mr. President, you know that freedom must be economic and cultural, scientific and political. So you have helped reestablish Argentina's democratic tradition -- and I salute your reform of the economy // your inviting American companies to

participate in privatization // and the reduction of Argentina's foreign debt resulting from your overtures. //

We share your belief that the individual -- not State -- can bring economic recovery to this Hemisphere. Accordingly, last June we proposed the creation of a free-trade zone from Alaska to Tierra del Fuego called Enterprise for the Americas. / Our initiative realizes that prosperity can beget liberty. And that foreign investment, free trade, and a realistic approach to debt relief can beget prospercity for Argentina and its neighbors. //

Today, President Menem and I talked at length about these issues. We discussed the need for clear rules about doing business here -- and how American investments here once again enjoy OPIC insurance coverage. // We talked of cuts in agricultural subsidies in the Uruguay Round of GATT -- and your efforts to construct a regional common market. // And we spoke of the need to lift tariff and non-tarrif barriers.

We recalled progress already made -- the signing of the Tourism Agreement, a Mutual Legal Assistance Treaty, and Mutual Customs Assistance Agreement. And of how progress yet to come will affirm Teddy Roosevelt's words on visiting Argentina in 1913. "Our likenesses," he said, "are more important than our differences . . . both young, both vast of physical area, both growing by leaps and bounds." //

Think of our Nations' beauty. One of our patriotic songs - - "purple mountains' majesty" and "amber waves of grain" -- would define Argentina. As would the words of Jose Luis Borges,

describing this city's "silent magic that captures newcomers almost totally." // Think of the splendor of the Andes, the jungles of Misiones, or the valleys of Patagonia. They match the sweep of the continent that is America. //

Think, also, of other likenesses. We both were founded on what Esteban Echeverria called "equality and liberty -- the two poles of democracy." // We know, as Juan Alberdi added, that "Public freedom is no more than the sum of the freedoms of all." // Each of us reveres the individual -- you, the gaucho; we, the cowboy. Above all, we honor what surpasses even these concerns - - values like work, family, belief in country, and in God. //

These likenesses have helped Argentina create a world where, as President Menem said last year, "More and more every day, we all depend upon one another." I agree. And I wish to thank you and your people for standing as allies in the Persian Gulf against the curse of tyranny. Together, we will do what is right and good -- for both God and man. //

Apart, we can not succeed. Together, we cannot fail. And in that spirit, I ask our guests to stand and raise their glasses:

-- To the Nation of Argentina -- an example to this hemisphere, and the world;

-- To an alliance that has never been more strong;

-- And to the health of my friend and colleague, the President of Argentina.

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En su Casa

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Traika
Amb.

Amb Negroponte

Taney minister
Solana

(Smith/Gamey) Amb.
November 15, 1990
2 P.M. Petricidi
MEX

Tharburgh PETRE-A-
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SC

Amb. Hills
Sec. Brady
Sec. Morkacher

PRESIDENTIAL REMARKS: BARBECUE
AGUALEGUAS, MEXICO
MONDAY, NOVEMBER 26, 1990
1:45 P.M.

[AG-UT-LAT-GAS]

with all of our
REGIONAL TANO
(CET-10-MON-)
TANOS
friends.

Mex
Embassy

President and Mrs. Salinas: Let me say how pleased Barbara
and I are to be in your home town of Agualeguas. We are
delighted to spend the kind of informal time together we shared
at Camp David last year. //

To Mayor Reynaldo Canales Vela, and the people of this
wonderful village: We are thrilled to join you, and thank you
for your hospitality. You have shown anew the kindness for which
Mexico is so famous. //

((Barbara and I loved the barbecue. That goes double for
the rodeo. It's amazing to me how a cowboy can chase down a
steer, throw a rope around his neck, wrestle him to the ground,
and tie his legs. // I have a tough time just catching a fish.))

1988

I first met ^{as President elect} President Salinas last November in Houston --
and was moved by how he understood the needs and feelings of the
people of Mexico. Since then, we've come to know each other
better -- and at no time more than today. //

PROBLEM

Being here makes me understand what President Salinas
learned as a boy, ~~growing up half a block away~~ -- things like
community and hard work, love of country and of God. / I am told
Agualeguas means "Far Waters." President Salinas has traveled

Cumulate

X

far to advance peace and prosperity. Yet never has he forgotten the roots and the values of his youth. //

Octavio Paz, your beloved Nobel Prize winner for Literature, has spoken of mankind's "unity of purpose." Today shows the unity that links our two Nations as allies, and neighbors. Again, our thanks to all of you. And, Mr. President, thank you for having us here among your family and friends.

#

HC

*Arch. Hills
See. Brady.
See. Mosbacher.
Consulate - Aguascalientes
Monterrey
83 452-120*

(Smith/Garmey)
November 16, 1990
2 P.M.
DEDICATE

Arch Mega Ponte

PRESIDENTIAL REMARKS: STUDIES DEDICATION
MONTERREY, MEXICO
TUESDAY, NOVEMBER 27, 1990
12:30 P.M.

ear (FAR-ias) (RAN-hel)

*Minutes
Farias Solana*

Rector Farias, Rector Rangel, friends and neighbors. I want to thank my good friend, President Salinas, for that kind introduction. It is a delight to be with all of you. //

As I have mentioned over the past two days, we are working to produce major advances in the U.S.-Mexico relationship -- and we are making progress. But that progress will continue only if we remember that education is our most enduring legacy -- vital to everything we are, and can become. //

The Mexican-American Studies Institute that we inaugurate today can enrich that legacy -- making an invaluable contribution to bilateral understanding. It will encourage our young leaders and scholars, and link our two Nations -- helping education create a better, more decent world. //

Education shows how dreams realized can make possible even bigger dreams. Dreams that will keep our Nations competitive, raise our standard of living, and improve our quality of life. Our dreams can presage a new Golden Age of understanding, technology, and prosperity. Showing how creativity comes from the human heart and mind. //

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Mex Embassy

time in Mexico's history, you are the contemporaries of all mankind. / I applaud this Studies Institute, and pledge America's help in ensuring its success. And let me close with what Franklin Roosevelt said right here in Monterrey -- a message as relevant today as in 1943. //

FDR
Nothing is more important, he observed, than " . . . the exchange of those ideas and of those moral values which give life and significance to the tremendous effort of the free peoples of the world." // In that spirit, and with love for education and the Mexican people, thank you very much. *God bless the great nation of*

#

Central Room -

Bob Platkin Monterey
52 83 450448
450388

(Smith/Garmey)
November 16, 1990
7 A.M.
CASINO

Amb Negroponte

PRESIDENTIAL REMARKS: CASINO MEETING
MONTERREY, MEXICO
TUESDAY, NOVEMBER 27, 1990
11:45 A.M.

Foreign
Minister
Solana

Secretary Serra, Secretary Mosbacher, Amb. Mrs. Hills, friends. Brooley

Thank you, Mr. President, for that kind introduction.

Already, this has been a memorable visit. Yesterday, I was
President Salinas' guest in his home town of Agualeguas []. AG-WA-LAY-GUAS

I'll never forget the great barbecue we had -- nor the rodeo
which preceded it. //

((I hadn't been to a rodeo since I hosted the seven-Nation
Economic Summit last June in Houston. Of course, I'm not
counting the times my opposition in Washington has tried to
lassoo me since then.)) //

This morning I got to thinking what a great 16th Century
writer, Bernal Diaz, once said of Mexico: "I stood looking at it
and thought that never in the world would there be discovered
other lands such as these." //

Over the last day I've learned anew the meaning of those
words. I've seen a Nation proud of **yesterday** -- and buoyant
about **tomorrow**. And thought of how our two countries are both
friends, and allies -- enhancing what is already one of the
world's broadest and most complex bilateral relationships. //

Think about it: Today, more people cross the border than
ever before. / Today, more illegal drugs are being seized than

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Huff.
Gate

ever before. / Today, more universities are developing exchange programs than ever before. / And more is being done between us to protect our environment -- up here along the ~~border~~ ^{Pro Grande to} and as far south as the Lacondon [] tropical forest? // Lacondon X

You can see why Mexico is so strong -- and why the relationship between our Nations has never been more special. Yet it is difficult to imagine any theme more vital than the one you are discussing this morning -- how the private sector can create and, yes, expand the economic resources that sustain our relationship as a whole. //

In my travels here I've seen a symbol in all your government buildings. It's an eagle landing on a cactus -- the Aztec symbol for the founding of Mexico. // Well, this meeting can help create another historic founding -- the passage of a Free Trade Agreement between America and Mexico. //

Mex. Free trade means more jobs and productivity. Consider that Mexico is now America's third-largest trading partner -- \$52 billion in trade last year, and 1990's numbers should be even higher. / Mexico has long understood the economic importance of America. Finally, America realizes the economic importance of Mexico. / Since every billion dollars of exports creates roughly 25,000 jobs, more cooperation means more ways to make progress a reality. //

Let me say: I know there is no blue-print, no one-size-fits-all approach, to progress and reform. Each Nation in this region must decide how best to achieve economic growth. // Yet

let me also add: Prosperity in this hemisphere depends on **trade**, not **aid**. Our new economic partnership can spur it through the increased investment that furthers commercial ties. //

Forty-seven years ago, the last American President to visit Monterrey spoke of these bonds. In the days to come, Franklin Roosevelt hoped, every Mexican and American President would feel at "liberty to visit each other just as neighbors visit each other" -- just, he said, as neighbors "talk things over and get to know each other." // It was this that President Salinas referred to in his recent State of the Union Address. Mexico, he said, doesn't want to be a third world Nation -- it wants to be a first world Nation. //

Already, your automotive, electronic, tourism, and other industries have shown world-class productive capability. That's good for both countries -- a Mexico that wants to get out and compete, with purchasing power and selling power. // When hard times hit Mexico in the early 1980s, our southwest border suffered. Fortunately, the same principle works in reverse. When you grow, we grow. I pledge to you: We will continue the policy of the offered hand and the open heart. //

Negotiating a Free Trade Agreement won't be easy. We will hear criticism -- just as we did when we negotiated the Free Trade Agreement with Canada. But let us not **imagine** what **cannot** be done. Let's remember what trade liberalization **can** and has **already** done. //

Mexico enters GATT and bilateral trade soars by \$17
 billion from the \$35 billion of 1987. / The bond industry takes
 hold -- and reaches growth rates of 20 percent a year, creating
 half a million jobs. // Virtually everyone favors free trade --
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happen, but to make it succeed. //

We are two Nations -- but one family. Sharing the same
 values of hard work, belief in private enterprise, and love of
 God. // Thank you for what you have and will do to strengthen
 them. And let me leave you with these words of the great Mexican
 philosopher, Alfonso Reyes [RAYES], born 101 years ago: "Let us
 go forward together," he said. "Together in our efforts --
 together in friendship and affection -- ever together." //

Thanks to my good friend President Salinas -- and to all of
 you. And God bless the great Nation of Mexico.

#

Amb.

John

Negro ~~Pointe~~

City Theatre

Mariachis - not
being played.

Scumbers of
"No other music"
in my ears

THE WHITE HOUSE
WASHINGTON

October 28, 1990

MEMORANDUM

TO: DAVID DEMAREST
CHRISS WINSTON

SPEECHWRITER/RESEARCHER TO BE ASSIGNED

FROM: CAROLYN CAWLEY

SUBJECT: PREADVANCE TO MONTERREY, MEXICO

President Bush will be traveling to Monterrey, Mexico November 26 -27, 1990. Mrs. Bush and Secretary Baker will accompany him.

The proposed schedule is as follows:

November 26, 1990

11:45 a.m.	Arrive Monterrey, Mexico. Welcomed by Foreign Minister Solano
12:00 p.m.	Helicopter departure to Agua Leguas, hometown of President Salinas
12:30 p.m.	Meet President and Mrs. Salinas at an informal arrival
12:50 p.m.	Rodeo demonstration at the local corral
1:45 p.m.	<u>Barbecue for the townspeople hosted by President Salinas. 5000 attendees expected. Very brief remarks -- Hello, thank you for the hospitality, etc.</u>
3:15 - 5:00 p.m.	Downtime and private meetings
5:00 p.m.	Depart for Monterrey

5:30 p.m. POTUS and President Salinas arrive Monterrey for official arrival ceremony with full honors

5:40 - Government Palace -- they'll be received by
6:30 p.m. thousands of citizens in the Plaza. Firework displays and brief remarks by both Presidents.

6:30 p.m. End of official day

November 27, 1990

9:00 a.m. Private One on One Meetings between the two Presidents. Photo opportunities.

9:20 a.m. Expanded bilateral meetings

10:40 a.m. City Theatre -- 15 minutes of remarks by each President. 1400 attendees representing a cross section of the citizens of Monterrey.

11:45 a.m. Casino Monterrey -- join the end of a meeting between Mexican business leaders hosted by Secretary Mosbacher and Trade Representative Hills. 250 attendees. Very brief remarks.

12:30 - Palacio Gobierno -- Dedication Ceremony for a
12:45 p.m. new Mexican - American Studies Institute. Very brief remarks.

1:00 - Palacio Gobierno -- Official Luncheon. 150
2:05 p.m. attendees. Toasts.

2:30 p.m. Arrive Airport

2:45 p.m. Depart Monterrey, Mexico for Andrews AFB

*Mexican
Embassy
728-1600*

*- 2 Accords - Agriculture.
- Tech. Inst.*

*- Embassy - Tom Fitzpatrick.
525-211-0042
- PA. officer: Robert Carle*

PREADVANCE NOTES -- MONTERREY, MEXICO

ARA

Mexico

Contacts:

** Bob Earle, Embassy PAO (Mexico City) **
Bob Gibbons, US Consulate in Monterrey

Orch

On economics: Paul Trivelli, US Embassy in Mexico City
Don McConnell, US Embassy in Mexico City

Howard

Notes of Interest:

The Agua Leguas Rodeo and Barbecue:

Agua Leguas means "Far Waters". It is President Salinas' ancestral home. It's located about 1 1/2 hours from Monterrey by car. Extremely rural small town. The town square is about all there is.

The BBQ is expected to draw 5,000 people, many of whom will be Mexican children. This is really down home entertainment by President Salinas -- any remarks should acknowledge POTUS' pleasure at having been invited to this small town, the wonderful hospitality, etc. Draw on the years he spent in Texas etc.

The BBQ plaza is down the street one half block from the Salinas home.

-- Benito Juarez is known as the Father of Mexico. The dedication ceremony room at the Palace is named for him.

-- You may also want to check up on Octavio Paz, recent Nobel Prize winner for literature. I was told he is very popular with the Mexican people and also very quotable for POTUS.

-- A major landmark in Monterrey is Saddle Mountain. It does resemble a saddle and is visible from virtually everywhere. See photos.

-- Note that Monterrey is a very small city that is far from everything else in Mexico. It's flat, but surrounded by hills. The countryside around it is almost desert-like, strewn with sagebrush and tumble weed. The land between Monterrey and Agua Leguas is virtually unpopulated, except for shack once in a great while.

Monterrey is located in "Estado de Nuevo Leon"... the state of the new lion. (check this translation!)

Though it's far from everything else, Monterrey is Mexico's #2 industrial center. It's the home of a group of 10 conglomerates in steel, glass, and beer. The story says two guys decided to produce beer and decided they should also produce the bottles, then the caps, etc. All of Mexico's major brands of beer are made here.

It's boom came in the 1890's with the railroad, though it has been a trading center since the 16th century.

- The national symbol, seen in all the government buildings including the facade above the podium for the Palace/ firework speeches is: an eagle landing on a cactus. It is an Aztec symbol for the founding of Mexico.
- I was told that FDR was the last US President to visit Monterrey, in April 1943. Reagan visited Mexico, though not Monterrey. Check on Bush's visits as VP.
- You may want to look into Lincoln quotes for these speeches. I saw several quotations of his displayed in various buildings, though they were in Spanish and I didn't have time to write them down.

The City Theatre is a very modern structure. The main auditorium, site of the speeches, is gray and black and fairly nondescript. It's mainly used for performing arts. There are two tiers of seats, just like any performance hall.

Palacio Gobierno is a huge and magnificent structure at one end of a major plaza. The plaza has a big fountain in the center and has 4 statues of historical figures. See photos. The mountains in the distance appear larger than life. The two Presidents will appear on the front steps of the Palace and will make brief remarks there following a fireworks display.

Palacio Gobierno Luncheon. Luncheon for 100-150 guests. It will be held either in an open courtyard or an enclosed one topped with stained glass.

Salon de Benito Juarez. Room for the dedication ceremony
for the Mexican-American Studies Institute. The program
is a joint venture between the University of Nuevo Leon/
the Monterrey Technical Institute and US Universities.
I couldn't find anyone to tell me more. Best to check
with Bob Earle, PAO at the Embassy in Mexico City!

TELEFAX MESSAGE**DATE:** November 21, 1990**TO:** THE WHITE HOUSE**NAME:** TED GARNEY**OFFICE:** SPEECH WRITING**COUNTRY:** USA**FAX NUMBER:** 202-456-6218**SUBJECT:** INSTITUTES BEING DEDICATED IN MONTERREY, MEXICO**MESSAGE:**

THE OFFICIAL TITLES OF THE TWO INSTITUTES BEING DEDICATED IN MONTERREY ARE AS FOLLOWS:

AT THE AUTONOMOUS UNIVERSITY OF NUEVO LEON, THE INSTITUTE IS CALLED "INSTITUTO DE ESTUDIOS INTERNACIONALES" WHICH TRANSLATES "INSTITUTE OF INTERNATIONAL STUDIES."

AT THE MONTERREY TECHNOLOGICAL UNIVERSITY, THE INSTITUTE IS CALLED "CENTRO DE ESTUDIOS ESTRATÉGICOS MEXICO-ESTADOS UNIDOS" WHICH TRANSLATES "CENTER FOR MEXICO-U.S. STRATEGIC STUDIES."

FROM:**NAME:** ROBERT EARLE**OFFICE:** USIS MEXICO**CLEARANCE:** _____**PAGES TRANSMITTED** 1

(Including Cover)

MONTERREY

TELEFAX TRANSMISSION

90 OCT 23 A8:24

Consulate Telephone: 45-21-20
From Mexico: 91-83-45-21-20
From U.S.A.: 011-52-83-45-21-20

Consulate Fax: 42-36-90

Mexican Mailing Address:
American Consulate General
Apdo. Postal 152
64000 Monterrey, N.L.

U.S. Mailing Address:
(Name and Agency)
P.O. BOX 3098
Laredo, TX. 78044-3098



DATE: Nov. 21, 1990

TO: Ted Garney
The White House

202 - 456 - 6218

FROM: American Consulate General
Monterrey - DJRoginski/USIS

SUBJECT & FILE: Exact names of American Studies Programs at

Universities in Monterrey

NUMBER OF PAGES INCLUDING THIS PAGE: 2

If this transmission was not received in its entirety, please notify us immediately. Thank you.


Sender's Name

November 21, 1990

Dear Mr. Garney,

Kathleen Fairfax of USIS Mexico City advised us that you needed the exact names in English and Spanish of the two Mexican universities that will make special presentations to President Bush during his visit to Mexico. I talked to our Branch Public Affairs Officer here in Monterrey (Robert Gibbons) and he gave me the information following.

The two universities are:

The Autonomous University of Nuevo Leon, which has an "Institute of International Studies." In Spanish -- Universidad Autónoma de Nuevo Leon/Instituto de Estudios Internacionales.

and

Technological Institute for Higher Studies of Monterrey, which has a "Center for Strategic Studies: Mexico-United States. In Spanish -- Instituto Tecnológico y de Estudios Superiores de Monterrey/Centro de Estudios Estratégicos Mexico - Estados Unidos.

If you have any questions, please fax them to the Embassy's Control Room at the Hotel Holiday Inn Crowne Plaza here in Monterrey. There will be people receiving faxes there throughout Thanksgiving Day.

Sincerely,

Donna J. Roginski
USIS Monterrey

The fax number is, from the United States, 011-52-85-403947

40 (Address at Monterrey, Mexico.

April 20, 1943

FDR

Señor Presidente de La Republica Mexicana, my friends and good neighbors:

YOUR Excellency's friendly and cordial expressions add to the very great pleasure that I feel at being here on Mexican soil.

It is an amazing thing to have to realize that nearly 34 years have passed since Chief Executives of our two countries have met face to face. I hope that in the days to come every Mexican and every American President will feel at liberty to visit each other just as neighbors visit each other — just as neighbors talk things over and get to know each other better.

Our two countries owe their independence to the fact that your ancestors and mine held the same truths to be worth fighting for and dying for. Hidalgo and Juarez were men of the same stamp as Washington and Jefferson. It was, therefore, inevitable that our two countries should find themselves aligned together in the great struggle which is being fought today to determine whether this world shall be free or slave.

The attacks of the Axis powers during the past few years against our common heritage as free men culminated in the unspeakable and unprovoked aggressions of December 7, 1941, and of May 14, 1942, and the shedding of blood on those dates of citizens of the United States and of Mexico alike.

Those attacks did not find the Western Hemisphere unprepared. The 21 free Republics of the Americas during the past ten years have devised a system of international cooperation which has become a great bulwark in the defense of our heritage and the defense of our future. That system, whose strength is now evident even to the most skeptical, is based primarily upon a renunciation of the use of force, and is based on the enshrining of international justice and mutual respect as the governing rule of conduct by all Nations everywhere.

In the forging of that new international policy the role of Mexico has been outstanding. Mexican Presidents and Foreign

40. Address at Monterrey, Mexico

Ministers have appreciated the nature of the struggle with which we are now confronted at a time when many other Nations much closer to the focus of infection were blind.

The wisdom of the measures which the statesmen of Mexico and the United States and of the other American Republics have adopted at inter-American gatherings during recent years has been amply demonstrated. They have succeeded because they have been placed in effect, not only by Mexico and the United States, but by all except one of the other American Republics.

You and I, Mr. President, as Commanders in Chief of our respective armed forces, have been able to concert measures for common defense. The harmony and the mutual confidence which have prevailed between our armies and navies is beyond praise. Brotherhood in arms has been established.

The determination of the Mexican people and of their leaders has led to production on an all-out basis of strategic and vital materials so necessary to the forging of the weapons destined to compass the final overthrow of our common foes. In this great city of Monterrey, I have been most impressed with the single-minded purpose with which all the forces of production are joined together in the war effort.

And too, Mexican farm workers, brought to the United States in accordance with the agreement between our two Governments, the terms of which are fully consonant with the social objectives that we cherish together, are contributing their skill and their toil to the production of vitally needed food.

But not less important than the military cooperation and the production of supplies needed for the maintenance of our respective economies has been the exchange of those ideas and of those moral values which give life and significance to the tremendous effort of the free peoples of the world. We in the United States have listened with admiration and with profit to your statements and addresses, Mr. President, and to those of your distinguished Foreign Minister. We have gained inspiration and strength from your words.

In the shaping of a common victory our peoples are finding

40. *Address at Monterrey, Mexico*

that they have common aspirations. They can work together for a common objective. Let us never lose our hold upon that truth. It contains within it the secret of future happiness and prosperity for all of us on both sides of our unfortified borders. Let us make sure that when our victory is won, when the forces of evil surrender — and that surrender shall be unconditional — then we, with the same spirit and with the same united courage, will face the task of the building of a better world.

There is much work still to be done by men of good will on both sides of the border. The great Mexican people have their feet set upon a path of ever greater progress so that each Nation may enjoy and each citizen may enjoy the greatest possible measure of security and opportunity. The Government of the United States and my countrymen are ready to contribute to that progress.

We recognize a mutual interdependence of our joint resources. We know that Mexico's resources will be developed for the common good of humanity. We know that the day of the exploitation of the resources and the people of one country for the benefit of any group in another country is definitely over.

It is time that every citizen in every one of the American Republics recognizes that the Good Neighbor policy means that harm to one Republic means harm to each and every one of the other Republics. We have all of us recognized the principle of independence. It is time that we recognize also the *privilege* of interdependence — one upon another.

Mr. President, it is my hope that in the expansion of our common effort in this war and in the peace to follow we will again have occasion for friendly consultation, in order further to promote the closest understanding and continued unity of purpose between our two peoples.

We have achieved close understanding and unity of purpose, and I am grateful to you, Mr. President, and to the Mexican people, for this opportunity to meet you on Mexican soil, and — to call you friends.

You and I are breaking another precedent. Let these meetings

41. *Execution of Tokyo Raiders by Japanese*

between Presidents of Mexico and the United States recur again and again and again.

NOTE: When the President visited President Avila Camacho in Mexico, it was the first meeting between the Presidents of the two countries since 1909. In 1941, they had made plans for a joint fishing trip in the Gulf of Mexico, but the Japanese attack at Pearl Harbor had caused the abandonment of these plans.

President Camacho also accompanied President Roosevelt on his visit to the Naval Training Center at Corpus Christi, Texas, where many Mexican air cadets in addition to those of other countries were being trained (see Item 42, this volume, for the President's extemporaneous remarks at Corpus Christi, Texas).

En route and returning from his trip to Mexico, the President visited a number of war plants and training camps. His itinerary for the trip was as follows: April 13, departed from Washington, D. C.; April 14, Marine Corps "boot camp" for recruit training at Parris Island, S. C.; April 15, Maxwell Field, Ala. (Air Forces training center); April

15, Fort Benning, Ga.; April 15-16, Warm Springs, Ga. (see Item 38 and note, this volume); April 17, Fort Oglethorpe, Ga. (WAAC training center); April 17, Camp Forrest, Tenn.; April 18, Camp Joseph T. Robinson, Ark.; April 18, Camp Gruber, Okla.; April 19, Douglas Aircraft assembly plant, Tulsa, Okla.; April 20, Monterrey, Mexico; April 21, Naval Training Center, Corpus Christi, Texas (see Item 42, this volume); April 22, Fort Worth, Texas; April 23, en route to Colorado Springs, and Denver, Col.; April 24, Camp Carson at Colorado Springs, and Remington Cartridge plant, Lowry Field, and Fitzsimons General Hospital at Denver, Col.; April 25, Fort Riley, Kans.; April 26, Martin Bomber plant, Omaha, Neb.; April 27, Jefferson Barracks, Mo., and Republic fighter plane plant at Evansville, Ind.; April 28, Fort Knox, Ky.; April 29, return to Washington, D. C.

During the trip, the President covered approximately 7,600 miles.

41 ¶ Statement on the Execution of the Tokyo Raiders by the Japanese. April 21, 1943

IT IS WITH a feeling of deepest horror, which I know will be shared by all civilized peoples, that I have to announce the barbarous execution by the Japanese Government of some of the

POTUS VISIT TO MEXICO: FACT SHEET

- POTUS notified the Congress on Sept. 25 that the U.S. and Canada intended to negotiate a free trade agreement (FTA) (gradual elimination of trade barriers)
- U.S. and Mexico share a 2000 mile border, one of the longest bilateral borders in the world.
- Trade between our two nations is expected to swell to an all-time high of 60 billion this year.
- Mexico is our third largest trading partner and third largest export market- behind only Canada and Japan.
- Total U.S. direct investment totals over 5.5 billion, and total Mexico investment over 1 billion.
- Increased U.S. exports means more jobs: every 1 billion of exports generates roughly 22,000 U.S. jobs.
- A GATT agreement is near completion.
- the trend towards greater trade cooperation between our nations has been spurred in recent years by a General Agreement on Tariffs and Trade in 1986, the U.S./Mexico Framework Agreement in 1987, and the Trade and Investment Facilitation Agreement in 1989.
- Recently, Secretary Mosbacher and Mexican Secretary of Commerce and Industrial Development Serra established the Joint Committee for Investment and Trade (JCIT)
- U.S. exports to Mexico were up 20% in 1989 to \$25 billion. Imports grew by 17% to \$27 billion.
- In '89, 82% of U.S. exports to Mexico and 72% of imports were manufactured good.
- total trade between the two nations has risen by 75% since 1986.
- Mexico recently concluded a new debt agreement with international creditors; this will free resources for continued economic modernization and increased imports.
- Mexico's economy has continued to improve throughout 1989 and '90, with the Gross Domestic Product growing by 3% over this time. Employment has been rising. Furthermore, since the signing of the Economic Solidarity Pact ("the Pact") was announced in December of 1987, public sector deficit has been declining, and the annual inflation rate has fallen from 160% in 1987, to 52% in 1988, to 20% in 1989. The 1990 figure is expected to be something like 25-27%.
- Mexico has been helping alleviate the oil crisis in the past few weeks, increasing its exports by 100,000 barrels/day over this time.

Ref.
PN 41
.B4
1987
WA

Benét's THIRD EDITION
READER'S
ENCYCLOPEDIA



1817

HARPER & ROW, PUBLISHERS, New York
Cambridge, Philadelphia, San Francisco, Washington
London, Mexico City, São Paulo, Singapore, Sydney

Diana

256

was cleared of any duplicity; Mme de La Motte was publicly branded, whipped, and sentenced to life imprisonment. She later escaped to England, where she wrote her memoirs, accusing the queen.

Diana An ancient Italian and Roman divinity. Diana was later identified with the Olympian goddess ARTEMIS.

Diane de Poitiers (1499–1566) Mistress of Henry II of France. Diane wielded immense power over Henry, who was ten years her junior, until his death in 1559. She spent her last years at her château at Anet, which had been designed for her by Philibert Delorme, a celebrated architect.

Diary of a Country Priest, The (Journal d'un curé de campagne, 1936; tr 1937) A novel by Georges BERNANOS. It movingly depicts the saintly struggles of a young priest with his failing health and his greedy and ungrateful parish. Tormented by his search for true service to God, the priest sees his parish projects fail, and he dies, defeated but absolved.

Diary of Anne Frank See FRANK, ANNE.

Diary of a Provincial Lady (1930) A novel, in diary form, by E. M. DELAFIELD. A phlegmatic husband, disconcerting children, temperamental servants, and dreadful neighbors are the problems of ordinary upper-middle-class domestic life of the period.

Diary of a Writer, A (Dnevnik pisatelya, 1873, 1876–77, 1880–81) A series of collected articles and short sketches, published in the form of a journal, by DOSTOYEVSKY. He began the project as a section in *Grazhdanin* (*The Citizen*), a weekly newspaper he edited (1873–74). The so-called diary was concerned mostly with political and social questions, although Dostoyevsky did publish in it a few of his short stories, including "Krotkaya" ("The Meek One," 1876) and "Son smeshnogo cheloveka" ("The Dream of a Ridiculous Man," 1877). In 1880 the diary contained Dostoyevsky's famous speech at the Pushkin celebration in Moscow.

Diaspora Exile or dispersion, used almost invariably with reference to the exile of the Jewish people from the land of Israel. *Diaspora* may be used to refer not only to the state of being in exile, but also to the place of exile—any place outside of Israel where Jews are living—to the communities in exile, and to a state of mind that results from living in exile. The Hebrew term *galut* (also *golus*, *galuth*) expresses the Jew's feeling of living as a member of a relatively defenseless minority, subject to injustice if not to outright persecution, of an unfulfilled life and destiny as a Jew, and of living in an unredeemed—though not unredeemable—world.

Díaz, Porfirio (1830–1915) Mexican dictator. An erstwhile supporter of JUÁREZ, Díaz seized power in 1876 and ruled Mexico for thirty-five years. Although his regime brought political and fiscal stability, only a handful of poli-

ticians, landowners, and foreign capitalists prospered, while the rural masses lived in virtual servitude. Díaz was ousted in 1911 and died in exile in Paris.

Díaz del Castillo, Bernal (1496–1584) Spanish soldier and historian. Díaz was one of the four hundred soldiers who took part in the Spanish conquest of Mexico; he later settled down on an estate in Guatemala. Piqued by an official history of the conquest, which he felt unduly glorified the achievements of Cortez, Díaz, then an octogenarian, attempted to tell what really happened in his *Historia verdadera de la conquista de la Nueva España* (*True History of the Conquest of New Spain*, 1632), perhaps the best popular history in the Spanish language. With a plethora of minute yet vivid detail, Díaz celebrates the exploits of the common soldiers who accompanied Cortez, in a style remarkable for its homely vigor. An intensely personal document, in which Díaz does not minimize his own achievements and depicts Cortez as a very fallible human being, the work gives an excellent picture of the individuality and tenacity that characterized the 16th-century conquistadors. The book was the source for Archibald MacLeish's *CONQUISTADOR*.

dibrach See PYRRHIC.

Dichtung und Wahrheit (Poetry and Truth, 1811–33) An autobiography by GOETHE. It is not so much a simple recounting of the events of his life as an attempt to explain the major strains of his inner development and set forth the essential principles on which his poetic activity was based.

Dickens, Charles (1812–1870) English novelist, the most popular and considered by many the greatest of his country. Like that of the children in many of his novels, Dickens's childhood was a difficult and unhappy one; his father, a navy clerk, was constantly in debt and was thrown into debtors' prison, and Dickens was sent to work in a blacking factory at the age of twelve. Most bitter for him was his parents' failure to educate him. He reacted to this indifference by working hard, a lifelong characteristic. He became an office boy in a law firm, then a county reporter, and finally a reporter of debates in Parliament for the *Morning Chronicle* in 1835. His *Sketches by Boz*, satires on daily life, were serialized in the *Old Monthly Magazine* (1833–35). Immediately asked to do another series, he wrote *The Posthumous Papers of the Pickwick Club*, better known simply as the PICKWICK PAPERS; these were illustrated by Phiz (H. K. Browne) and made Dickens successful at twenty-four. With *OLIVER TWIST*, Dickens began his indictment of the society of his place and time, a society that grossly mistreated and abused the poor, especially children, driving them to crime. While he was working on *Twist*, his wife Catherine's sister died; his deep grief and lifelong utterances of love for this sister-in-law underline his less profound relationship with his wife, from whom he was separated in 1858. They had ten children.

For the first time in our history, we are contemporaries of all mankind.

Octavio Paz
(LOS:194)

(Octavio Paz is correct when he writes that for the first time in Mexico's history, you are the contemporaries of all mankind.)

111.5

**United States
Information
Service**

Embassy of the United States of America
Mexico, D.F.

90 OCT 9 P2:41

November 9, 1990



MEMORANDUM TO: To: ARA - Dick Howard

FROM: USIS Mexico - Robert Earle *RE*

SUBJECT: Inauguration of U.S. Studies Programs

Ted Garmey of The White House speechwriting office called me yesterday to ask for background information on the planned inauguration of U.S. Studies programs during the President's visit to Monterrey. He also requested draft remarks.

I agreed to provide him with this information today and noted that you and I are working closely together on drafts of all the President's public remarks, including the speech, during his visit. I therefore suggested he contact you for material we at the Embassy have provided to the Department. In the interest of speed, I'm simultaneously transmitting this particular information to you and Ted, but Ted appreciates the fact that we send everything to you at the Department and the Department then provides support to The White House.

cc: White House Speechwriting - Mr. Ted Garmey

DRAFT PRESIDENTIAL REMARKS AT INAUGURATION
OF U.S. STUDIES PROGRAMS
AT
AUTONOMOUS UNIVERSITY OF NUEVO LEON
AND TECHNOLOGICAL INSTITUTE OF MONTERREY

November 27, 1990

President Salinas, Rector Farias, Rector Rangel, friends
and neighbors:

We are working hard to bring about major advances in the
U.S. - Mexico relationship, and I think we are making
great progress. But we can only sustain that progress if
we develop the young leaders and scholars necessary to
carry on our efforts in the future.

Like the new U.S. - Mexico Commission on Educational and
Cultural Exchange, these exciting university programs will
make an invaluable contribution to bilateral understanding.

I applaud your initiative and pledge our best efforts in
supporting your success. Franklin Roosevelt's words,
spoken right here in Monterrey, remain just as relevant
today as they were in 1943. Nothing is more important
than "...the exchange of those ideas and of those moral
values which give life and significance to the tremendous
effort of the free peoples of the world."

Thank you very much.

BACKGROUND INFORMATION AND DRAFT REMARKS
FOR INAUGURATION OF U.S. STUDIES PROGRAMS
DURING PRESIDENT'S VISIT TO MEXICO

November 27, 1990

Background

The GOM has proposed to us that two Nuevo Leon universities be permitted to inaugurate their new U.S./international studies programs in the presence of the Presidents during President Bush's visit to Mexico.

This ceremony would take place in the Governor's palace on November 27, around 12:30 p.m.

We have not had a full explanation from the GOM on how they want to handle this part of the schedule, but we endorse the idea of giving high profile to U.S. and international Studies programs in Mexican universities. Far too few such programs exist, and Mexico needs substantially more analytic capability if it is to relate well to a very dynamic bilateral relationship.

The Technological Institute of Monterrey (ITESM) has a fully developed plan to launch what they call the Mexico-United States Center for Strategic Studies. They see this Center as devoted to supporting Mexican economic integration with the U.S. through an array of research and teaching programs as well as conferences and linkages with U.S. universities such as UCLA and Texas-Austin. Areas for consideration will be technology transfer, productivity, business strategy, financial interaction, social impact of trade, tourism, political and legal issues, etc.

Local businesses and the Hewlett Foundation are supporting this new program. This reflects the Technological Institute's high standing with the private sector. We at the Embassy endorse this evaluation. With some 46,000 students a network of 26 campuses linked by satellite television, the "Tech" is the most advanced private university in Mexico. In other words, it's the best, and its pro-U.S. stance is dynamic and influential.

The Autonomous University of Nuevo Leon (UANL) is Nuevo Leon's largest public university with well over 40,000 students. It has substantial research capabilities in all disciplines ranging from the social sciences and humanities to the exact sciences. UANL is certainly one of the most U.S.-oriented institutions among Mexico's large public universities. It is in constant contact with our consulate in Monterrey and Embassy in Mexico City, and the Rector eagerly co-funds projects with us as a way of building up the university's U.S. connection.

In some measure it appears that UANL is being "hurried" to put the final touches on a new International Studies Center so that it, too, can participate in the Presidential summit. This reflects a GOM desire to counter-balance the private sector "Tech" with a public sector institution. From what we understand from the rector and contacts at the Foreign Ministry, the new center will coordinate U.S. - oriented research and teaching at UANL. This will give sharp focus to the importance of the U.S. (especially Texas) to Nuevo Leon's present and future.

Our guess is that the "inaguration" ceremony will consist of each Rector describing their respective programs to the Presidents. Possibly they will be flanked by their senior academic colleagues or members of the board. They might also hand the Presidents descriptive documentation. We do not anticipate that there will be anything for either President to sign.

At this point we do not know that either President will be requested to say anything in response. Rather, they might simply bear witness, shake hands, etc. Should President Bush be asked to speak, his remarks can be a general endorsement of academic exchange as a good and necessary thing in the context of a dynamic bilateral relationship. In so doing, he should definitely mention the previously-signed agreement on the new U.S. - Mexico Commission on Educational and Cultural Exchange since it is a far more important initiative. But he can pledge his support to these new programs because we already are working closely with both universities.

Attached please find draft Presidential remarks.

A Social Disease That Afflicts Us All

This issue of Wilson Quarterly examines one of our nation's most severe, yet underpublicized, problems: illiteracy. Though an informed citizenry is a cornerstone of our democracy, more than 26 million American adults lack a basic means to learn. They are functionally illiterate. The intangible cost cannot be measured. The economic cost is an estimated \$100 billion a year, according to the U.S. Department of Education. We all pay the price.

Gulf+Western is helping to combat the problem both directly and indirectly through:

- **Products**—In our Publishing and Information Services Group, Simon & Schuster's Cambridge Books unit is the leading publisher of specially created books and other learning materi-

als for adults with reading problems.

- **Services**—Increasing numbers of G+W employees are participating in Literacy Volunteers of America programs.

- **Grants**—Simon & Schuster strongly supports literacy programs, including Literacy Volunteers of America and Reading Is Fundamental, with annual contributions, and the Gulf+Western Foundation in June will announce the recipients of approximately \$500,000 in special grants to other nonprofit organizations with exemplary literacy efforts.

A growing number of business and public organizations are joining the campaign to overcome illiteracy. They need your help. Illiteracy is too much a waste of human minds.



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THE WILSON QUARTERLY

SPRING 1986

New Zealand • Literacy • China • America • Rilke

VOL. X NO. 2



NOTES ON THE UNITED STATES

Latin America's intellectuals and artists have long been known for their leftist, even Marxist, sympathies. Few today emulate the late Chilean poet Pablo Neruda, who remained loyal to Moscow even after the horrors of the Stalin era. But Colombia's Gabriel García Márquez, Argentina's Julio Cortázar, and others have ritually denounced Washington's *imperialismo* while singing the praises of Fidel Castro. Mexico's Octavio Paz is one of the exceptions. The widely read poet-essayist and former diplomat first learned to distrust communism when he supported the anti-Franco cause in the Spanish Civil War. And it was not long after Cuba's 1959 revolution that Paz voiced disenchantment with Castro's new workers' state. Paz, a self-described democratic socialist, is no cheerleader for the *Yanquis*. Here, however, he offers them an unusual view of their place in history.

by Octavio Paz

Faced with the concrete reality of the United States, the first, natural reaction of any visitor is utter amazement.

Few have gone beyond that initial shock of surprise—admiration mingled at times with revulsion—to realize the immense originality of that country. One of those few, and the first of them, was Alexis de Tocqueville. His reflections, set down in *Democracy in America* (1835), are still as pertinent as ever. He foresaw the future greatness of the American Union and the nature of the conflict that has lain at its heart ever since its birth, a conflict to which it owes, at one and the same time, both its great successes and its great setbacks: the opposition between freedom and equality, the individual and democracy, local freedoms and federal centralism.

Henry Adams's vision, though less broad, was perhaps more profound: Deep within American society he saw an opposition between the Dynamo, which transforms the world but



Peaceable Kingdom (1834) by Edward Hicks.

reduces it to uniform series, and the Virgin, the natural and spiritual energy that irrigates and illuminates the human soul and thus produces the range and variety of our works. Tocqueville and Adams saw, clearly and sharply, what was going to happen; we, today, see what is happening.

When I speak of America's originality, I am not referring to the familiar contrasts—great wealth and extreme privation, the cheapest vulgarity and the purest beauty, greed and altruism, active pursuit of goals and the passivity of the drug addict or the frenetic violence of the drunkard, proud freedom and the docility of the herd, intellectual exactitude and the fuzzy delirium of the nut case, prudishness and license—but, rather, to the *historical novelty* that the United States represents.

Nothing in our human past has been comparable to this reality that is made up of violent clashes and glaring contrasts, and is, if I may use the expression, full of itself. Full and empty. What lies behind this tremendous variety of products and goods flaunted before the eyes of the world with a sort of shamelessness born of generosity?

A wealth that is fascinating—that is to say, deceptive.

I am not thinking of the injustices and inequalities of Amer-

ican society. Though they are many, they are fewer and less grave than our own, than those of most nations. I say "deceptive" wealth not because it is unreal but because I ask myself whether a society can live trapped within the confines of the circle of production and consumption, work and pleasure.

There are those who will say that this situation is not unique, but common, rather, to all industrial countries. That is true, but in the United States, since it is the nation that has gone the farthest along this path and is thus the perfect expression of modernity, the situation has reached its extreme limit.

I repeat my question: What lies behind this wealth? I cannot answer; I find nothing, there is nothing. I explain myself: All institutions in America—its technology, its science, its energy, its education—are a means, a *way toward*. Freedom, democracy, work, inventive genius, perseverance, fulfillment of promises and obligations: Everything is *useful*, everything a means to attain—what? Happiness in this life, salvation in the life beyond, the good, the truth, wisdom, love? Ultimate ends, those that really count because they give meaning to our lives, are not visible on the horizon of the United States. They exist, that is certain, but they appertain to the private domain.

Questions and answers as to life and its meaning, death and the life beyond, traditionally taken over by Church and State, have heretofore always been matters in the public domain. The great historical novelty of the United States lies in its attempt to return them to the private domain, the private life of each and every citizen. What the Protestant Reformation achieved in the sphere of beliefs, the American Union has achieved in the secular sphere.

American society, unlike all other societies we know of, was founded in order that its citizens might realize their private ends in peace and freedom, on the theory that the common good lies not in a collective or metahistorical end but in the harmonious coexistence of individual ends. Can nations live without common beliefs and without a metahistorical ideology?

In the past, the acts and deeds of each people were nour-

Octavio Paz, 72, is a poet, essayist, and former diplomat. Born in Mexico City, he attended the National University of Mexico. He is the author of numerous books of poetry and prose, including The Labyrinth of Solitude (1950). This essay is excerpted from One Earth, Four or Five Worlds (1985). English translation copyright © 1985 and published by Harcourt Brace Jovanovich, Inc. Copyright © 1983 by Octavio Paz. Copyright © 1983 by Editorial Seix Barral, S.A., Barcelona.

ished and justified by a metahistory; in other words, by a common end that lay above individuals and had to do with values that were, or were presumed to be, transcendent. Americans naturally share beliefs, values, and ideas: freedom, democracy, justice, work, and so on. But all such concepts are a means, something *for* this or that. The ultimate ends of their acts and thoughts lie not in the public domain but in the private. The American Union was the very first historical attempt to give back to the individual what the State had stolen from the person in the beginning.

I do not mean by that that the American State is the only liberal State: Its founding was inspired by the examples of Holland, England, and the philosophy of the 18th century. But the American nation, and not only the State, is different from others precisely because it was founded on these ideas and principles. Unlike what happened elsewhere, the United States Constitution does not modify or change a prior situation (in its case, the monarchical regime with its hereditary classes, estates, and special jurisdictions); it institutes, rather, a new society. It marks an absolute beginning.

It has frequently been said that in liberal democratic societies, especially in the United States, the power of individuals and groups, above all of capitalist enterprises but also of workers' bureaucracies and other sectors, has grown without restraint, to the point where State domination has been replaced by that of special interests. The criticism is a fair one. It must be added, however, that while this reality seriously distorts the original design, it does not nullify it altogether. The founding principle is still alive. Proof of that can be found in the fact that it continues to inspire the movements of self-criticism and reform that periodically shake the United States. All of these have represented themselves as a return to the country's origins.

The great historical originality of the American nation, and also the root of its contradiction, lies in the very act by which it was founded. The United States was founded in order that its citizens might live, among themselves and by themselves, free at last of the weight of history. It was a construct aimed against history and its disasters, oriented toward the future, that *terra incognita* with which it has identified itself.

The cult of the future fits naturally within the American design and is, so to speak, its condition and its result. American society was founded by an act of abolition of the past. Its citizens, unlike Englishmen or Japanese, Germans or Chinese,

Mexicans or Portuguese, are not the offspring of but the beginning of a tradition. Instead of carrying on a past, they inaugurate a new time. The act (and the document) of foundation—a canceling-out of the past and a beginning of something different—has been repeated throughout its history.

But the United States is not in the future, a region that does not exist; it is here and now, among all the rest of us, in the midst of history. It is an empire, and its slightest movements shake the whole world. It would like to be outside the world but it is in the world—it *is* the world. Hence the contradiction of contemporary American society: Being at once an empire and a democracy is the result of another, deeper contradiction, having been founded against history yet being itself history.

The United States has undergone a period of doubt and disorientation. If it has not lost faith in its institutions—Watergate was an admirable proof of this—it no longer believes as fervently as it once did in the destiny of the nation. The present state of mind of the American people is in all likelihood the consequence of two phenomena that used to be opposites but, as frequently happens in history, have now become conjoined. The first is the sense of guilt that the Vietnam War aroused in many minds; the second is the waning of the puritan ethic and the waxing of the hedonism of abundance.

The sense of guilt, coupled with the humiliation of defeat, has reinforced the traditional isolationism, which has always regarded American democracy as an island of virtue in the sea of perversities that is world history. Hedonism, for its part, takes no notice of the outside world or, along with it, of history. Isolationism and hedonism coincide in one respect: They are both antihistorical. Both are expressions of a conflict present in American society since the war with Mexico in 1847, but not fully apparent until this century: The United States is a democracy and at the same time an empire.

A peculiar empire, I must add, for it does not wholly fit the classic definition of one. It is something quite distinct from the Roman, Spanish, Portuguese, and British empires.

Standing bewildered in the face of its dual historical nature, the United States does not know which way to turn today. The dilemma is a fateful one. If it chooses a truly imperial destiny, it will cease to be a democracy and will thereby lose its reason for being a nation. But how to renounce power without being immediately destroyed by its rival, the Russian Empire?

It will be objected that Great Britain, too, was both a de-

mocracy and an empire. The contemporary situation is very different, however: Great Britain's imperial rule was exclusively colonial and exercised overseas; moreover, in its European and American policy it sought not hegemony but a balance of power. But the policy of the balance of powers belongs to another stage in history; neither Great Britain nor any other great European power was forced to confront a State such as the Soviet Union, whose imperialist expansion is inextricably linked to a universal orthodoxy. The Russian Bureaucratic State not only aspires to world domination but is a militant orthodoxy that does not tolerate other ideologies or systems of government.

If, instead of comparing the international situation that confronts the United States today with that prevailing in Europe during the second half of the last century, we think of Rome in the last days of the Republic, the comparison shows American democracy to be in an even more unfavorable position.

The political difficulties of the Romans of the first century B.C. were primarily internal in nature, and this partially explains the ferocity of the struggles among the various factions: Rome had already achieved domination over all the known world, and its only rival—the Parthian Empire—was a power on the defensive. Moreover, and most important, none of the powers that had fought the Romans sought to further a universalist ideology.

By contrast, the contradictions of American foreign policy—a result of the controversies among groups and parties as well as of the inability of the nation's leaders to formulate a long-term overall plan—exist side by side with an aggressive empire that embraces a universalist ideology. To make matters still worse, the Western alliance is made up of countries whose interests and politics are not always identical with those of the United States.

The expansion of the American republic has been the natural, and in some ways fatal, consequence—if I may so put it—of its economic and social development; Roman expansion grew out of the deliberate action of the senatorial oligarchy and its generals over a period of more than two centuries. The foreign policy of Rome is an outstanding example of coherence, singleness of purpose, perseverance, skill, tenacity, and prudence—precisely the virtues that we find lacking in Americans. Tocqueville was the first to see where the fault lay:

With regard to the conduct of the external affairs of society, democratic governments appear to me to be decid-

edly inferior to the others. . . . Foreign policy requires the use of almost none of the qualities that characterize democracy, and on the other hand calls for the development of almost all those which democracy lacks by its very nature. . . . Democracy would find it most difficult to coordinate all the details of a great undertaking, draw up a plan in advance, and stubbornly follow it to the end despite all obstacles. It has little aptitude for preparing its means in secret and patiently awaiting the results.

American democracy is religious in origin and extends back to the communities of Protestant dissenters who settled in the country during the 17th century. Religious preoccupations were later transformed into political ideas steeped in republicanism, democracy, and individualism, but the original religious tone never disappeared from the public conscience.

In the United States, religion, morality, and politics have been inseparable. This is the major difference between European liberalism, which is almost always secular and anticlerical, and the American variety. Among Americans, democratic ideas have a religious foundation, in some instances implicit and in others (the majority) explicit. These ideas served to justify the attempt, unique in history, to constitute a nation as a *covenant* in the face of, and even against, historical necessity or history as fate. In the United States the social contract was not a fiction but a reality, and it was entered into in order *not* to repeat European history. This is the origin of American isolationism: the attempt to establish a society that would escape the vicissitudes that European peoples had suffered. American expansion, up until the war with Mexico, was aimed at colonizing empty spaces (Indian peoples were always regarded as *nature*) and that space more empty still, the future.

If they could, Americans would lock themselves up inside their country and turn away from the world, except to trade with it and visit it. The American utopia—in which, as in all utopias, monstrous features abound—is an interweaving of three dreams: those of the ascetic, the merchant, and the explorer. Three individualists. Hence three American traits: Their reluctance to confront the outside world; their inability to understand it; and their lack of skill in manipulating it. Americans are citizens of an empire, surrounded by some nations that are allies and by others out to destroy it, yet Americans would rather be left alone: The outside world is evil, history is perdition.

America is the opposite of Russia, another religious country but one that identifies religion with the Church and finds the confusion between ideology and party legitimate. The communist State—as was quite evident during the last war—is not only the successor of the tsarist State but its continuer. The notion of a social contract or “covenant” has never held an important place within the political history of Russia, or within the tsarist or Bolshevik tradition. Nor has the idea of religion as something belonging to the sphere of heartfelt individual belief; to the Russians, religion and politics appertain not to the sphere of private conscience but to the public sphere. Americans have endeavored, and are endeavoring, to construct a world of their very own, a world outside of this world; the Russians have endeavored, and are endeavoring, to dominate this world in order to convert it.

The basic contradiction of the United States has an effect on the very foundations of the nation. Hence our reflections on the United States and its present predicament lead to the question: Will it be able to resolve the contradiction between empire and democracy? At stake are its life and its identity.

Though it is impossible to answer this question, it is possible to venture a comment.

The sense of guilt can be transformed, can lead directly to the beginnings of political salvation. Hedonism, on the other hand, leads only to surrender, ruin, defeat. It is, admittedly, true that after Vietnam and Watergate we have been witness to a sort of masochistic orgy and seen many intellectuals, clergymen, and journalists rend their garments and beat their breasts as signs of contrition. These self-accusations, as a general rule, were not and are not false, but their tone was and is frequently hysterical (as when a journalist, writing in the *New York Times*, held American policy in Indochina responsible for the subsequent atrocities committed by the Khmer Rouge and the Vietnamese).

Yet this sense of guilt, besides being a compensation that maintains a psychic equilibrium, carries moral weight: It stems from a searching conscience and the recognition that a wrong has been committed. Hence it can become a sense of responsibility, the one and only antidote against the intoxication of hubris, for individuals as for empires. On the other hand, it is more difficult to transform the hedonism of modern masses into a moral force. It is not blind illusion, however, to place our trust in the ethical and religious foundations of America: They are a living source whose flow has been obstructed but not yet en-

tirely dammed.

The foreign policy of the United States has followed a zig-zag, erratic course, frequently contradictory and at times beyond all understanding. Its principal defect, its basic inconsistency, is attributable not to the failings of American leaders, which are many, but to its being a policy more sensitive to domestic reactions than to foreign ones.

The United States' objectives are to contain the Soviet Union and its shock troops (Cuba, Vietnam), to consolidate its own alliance with Japan and the European democracies, to consolidate its ties with China, to bring about an agreement in the Middle East that will preserve the independence of Israel and at the same time strengthen friendship with Egypt, to gain friends in the Arab countries and in those of Latin America, Africa, and Asia.

These are its avowed ends, but its real ones are to win the votes and satisfy the aspirations and ambitions of this or that group at home, whether Jews or blacks, industrial workers or farmers, the "establishment" of the East or Texans. It is evident that the policy of a great power cannot be subordinated to the shifting and divergent pressures of various groups within the nation: The cause of the downfall of Athens was not so much Spartan arms as the struggles between internal parties.

Any list of the errors of American policy must end with the following reservation: These errors, magnified by the mass media and by political passions, are revealing of vices and faults inherent in plutocratic democracies, but they do not indicate an intrinsic weakness. The United States has suffered defeats and setbacks, but its economic, scientific, and technological power is still superior to that of the Soviet Union.

So is its political and social system. American institutions were designed for a society in perpetual motion, whereas Soviet institutions correspond to a static caste society. Hence any change in the Soviet Union endangers the very foundations of the regime.

There is much talk of the inferiority of the Americans in the military sphere, especially in the area of traditional weapons. This is a temporary inferiority. The United States has the material and human resources to re-establish the balance of power.

And the political will? It is difficult to give an unequivocal answer to that question. In recent years, Americans have suffered from a psychic instability that has taken them from one extreme to another. Not only have they lost their sense of direc-

tion; they have also lost control of themselves. What the United States has lacked is not power but wisdom.

Above all, the American people and its leaders lack that sixth sense that almost all great nations have had: *prudence*. Since Aristotle, this word designates the highest political virtue. Prudence is made up of wisdom and integrity, boldness and moderation, discernment and persistence in undertakings. The best and most succinct definition of *prudentia* was given recently by Cornelio Castoriadis: the ability to find one's bearings in history. This is the ability that many of us find lacking in the United States.

To Montesquieu, the decadence of the Romans had a twofold cause: the power of the army and the corruption of luxury. The first was the origin of the empire, the second its ruin. The army gave Rome dominion over the world but, along with it, irresponsible sybaritism and extravagance. Will the Americans be wiser and more temperate than the Romans; will they show greater moral fortitude? It seems most unlikely. However, there is one aspect of the situation that would have raised Montesquieu's spirits: The Americans have succeeded in defending their democratic institutions and have even broadened and perfected them.

In Rome, the army backed the despotism of the Caesars; the United States suffers from the ills and vices of freedom, not those of tyranny. Though deformed, the moral tradition of criticism that has accompanied the nation all through its history is still alive.

In the past, the United States was able to use self-criticism to resolve other conflicts. It continues to give proof of its capacities for self-renewal. During the last 20 years it has taken great strides in the direction of resolving the other great contradiction that tears it apart, the racial question. It is not beyond the bounds of possibility that by the end of this century the United States will have become the first multiracial democracy in history. Despite its grave imperfections and its vices, the American democratic system bears out the opinion of antiquity: If democracy is not the ideal government, it is the least bad.

One of the great achievements of the American people has been to preserve democracy in the face of the two great threats of our day: the powerful capitalist oligarchies and the bureaucratic State of the 20th century. Another positive sign: Americans have made great advances in the art of human cohabitation, not only in terms of different ethnic groups that live peacefully to-

gether but also in domains heretofore ruled by the taboos of traditional morality, such as sexuality. Some critics lament that permissiveness and the relaxation of morals; I confess that the other extreme strikes me as worse—the cruel puritanism of communists and the bloody prudery of Khomeini. Finally, the development of the sciences and technology is a direct consequence of the freedom of investigation and criticism predominant in the universities and cultural institutions of the United States. American superiority in these fields is no accident.

How and why, in a democracy that has proved itself to be so endlessly fertile and creative in science, technology, and the arts, should its politics be so overwhelmingly mediocre? Can the critics of democracy be right? We must grant that the will of the majority is not a synonym for wisdom: The Germans voted for Hitler, and Chamberlain was elected democratically. The democratic system is exposed to the same risk as hereditary monarchy; the popular will is no more unerring than the genes, and elections that turn out badly are as unpredictable as the birth of defective royal heirs.

The remedy lies in the system of checks and balances: the independence of judicial and legislative power, the weight of public opinion in governmental decisions through the healthy and sensible exercise of their critical function by the communications media. Unfortunately, neither the U.S. Senate nor the media nor public opinion has given signs of political *prudence* in the years just past.

The inconsistencies in American foreign policy are attributable not just to officeholders and politicians but to the entire nation. Not only do the interests of groups and parties come before collective ends, but American opinion has shown itself incapable of understanding what is happening beyond its borders. This criticism is as applicable to liberals as to conservatives, to clergymen as to labor leaders. There is no country better informed than the United States; its journalists are excellent and they are everywhere, its specialists have all the data and background facts needed for each case—yet what comes forth from this gigantic mountain of information and news is, almost always, the mouse of the fable.

An intellectual failure? No: a failure of historical vision. Because of the very nature of the endeavor that founded the nation—sheltering it from history and its horrors—Americans suffer from a congenital difficulty in understanding the outside world and orienting themselves in its labyrinths.

Another defect of American democracy, already noted by Tocqueville in his day: egalitarian tendencies, which do not suppress individual selfishness but merely deform it. These tendencies have not prevented the birth and spread of social and economic inequalities, while at the same time they have held the best back and hampered their participation in public life.

A major example is the situation of the intellectual class: Its first-rate achievements in the sciences, technology, the arts, and education stand in sharp contrast to its scant influence in politics. It is true that many intellectuals serve and have served in government, but this has almost always been as technicians and experts—that is, *in order to do this or that*, not in order to help define ends and goals. A few intellectuals have been counselors of presidents and have thus contributed to planning and executing American foreign policy. But they are isolated cases. The American intellectual class, as a social entity, does not have the influence that its counterparts in European and Latin American countries enjoy. For one thing, society is not inclined to grant this class such a role.

American intellectuals, in turn, have shown little interest in the great philosophical and political abstractions that have roused deep passions in our era. This indifference has had a positive aspect: It has kept them from going as badly astray as many European and Latin American intellectuals. It has also kept them from the despicable moral lapses and relapses of so many writers who, without so much as blinking an eye, have accepted public honors and international prizes as they hymned paeans of praise to the Stalins, the Maos, and the Castros.

American intellectuals' mistrust of ideological passions is understandable; what is not understandable is their ignoring the fact that these passions have moved several generations of European and Latin American intellectuals, among them some of the best and most generous. In order to understand these others and to understand contemporary history as well, it is necessary to understand these passions.

When the subject under discussion is the American character, the word *naïveté* almost invariably crops up. Americans themselves value *innocence* very highly. Naïveté is not a character trait that fits well with the pessimistic introspection of the puritan. Yet the two coexist within the American character. Perhaps introspection allows Americans to see themselves and discover, within their heart of hearts, the traces of God or of the devil; naïveté, in turn, is their mode of presentation of self to

others and their manner of relating to them.

Naiveté is an appearance of innocence. Or, rather, it is protective gear. Thus the apparent defenselessness of one who is naive is a psychological weapon; it preserves that person from the contamination of the other and, by isolating him or her, makes it possible to escape and launch a counterattack. The ingenuousness of American intellectuals in the face of the great ideological debates of our century has fulfilled that double function. It has kept them from falling into the moral errors and perversions into which certain Europeans and Latin Americans have fallen; and it has permitted them to judge and condemn those who have strayed from virtue—without understanding them. Both American conservatives and liberals have substituted moral judgment for historical vision. Admittedly, it is not possible to have a view of the other, that is to say a vision of history, without moral principles. But a moral perspective cannot replace true historical vision, above all if this moral perspective is that of a provincial puritanism combined with variable but strong doses of pragmatism, empiricism, and positivism.

The two missions of the modern intellectual are, first, to investigate, create, and transmit knowledge, values, and experiences; and, second, to criticize society and its usages, institutions, and politics. Since the 18th century, this second function, inherited from the medieval clerics, has assumed greater and greater importance. We are all familiar with the work of Americans in the fields of the sciences, literature, the arts, and education; they have also been honest and courageous in their criticism of their society and of its defects. America's intellectuals have been faithful to the tradition upon which their country was founded and in which the scrutiny of conscience occupies a central place.

This puritan tradition, however, by emphasizing and encouraging separation, is antihistorical and isolationist. When the United States abandons its isolation and participates in the affairs of the world, it does so in the manner of a believer in a land of infidels.

American writers and journalists have an insatiable curiosity and are extremely well informed about what goes on in today's world, but instead of understanding, they pass judgment. It must be said, in all truth, that they reserve their severest judgments for their compatriots and those in public office. That is admirable; yet at the same time it is not enough. In the days of their country's intervention in Indochina, they denounced, with good reason, the policy emanating from Washington; yet their criticism, based

almost exclusively on moral grounds, generally neglected to examine the nature of the conflict. Critics were more interested in condemning President Lyndon B. Johnson than in understanding how and why there were American troops in Indochina. Many said that this conflict "was no concern of America's," as though the United States were not a world power and the war in Indochina were a local episode.

Morality is no substitute for historical understanding. That is precisely why many liberals were so surprised at the outcome of the conflict: the installation of a military-bureaucratic dictatorship in Vietnam, the mass murders under Pol Pot, the occupation of Cambodia and Laos by Vietnamese troops, the punitive expedition by the Chinese, and, in recent days, the hostilities between Vietnam and Thailand. And today, confronted by the situation in Central America, liberals mouth the same simplistic nonsense.

Apart from the fact that it is not always sincere, the moralizing attitude does not help us to understand the reality that lies outside ourselves. Morality, in the sphere of politics, must be accompanied by other virtues. Central to all of them is historical imagination. This intellectual faculty has a counterpart in the realm of sensibility: sympathy for the other, for others.

The image presented by the United States is not reassuring. The country is disunited, repeatedly torn apart by dissensions that do not have the least element of grandeur, eaten away by doubt, undermined by a suicidal hedonism, dazed by the ranting of demagogues. It is a society divided, not so much vertically as horizontally, by the clash of tremendous selfish interests: great corporations, labor unions, "the farm bloc," bankers, ethnic groups, the powerful communications industry.

The remedy is to regain unity of purpose, without which there is no possibility for action—but how? The malady of democracies is disunity, mother of demagogism. The other road, that of political health, leads by way of soul-searching and self-criticism: a return to origins, to the foundations of the nation. In the case of the United States, this means to the vision of its founders—not to copy them, but to begin again. Not to do exactly as they did but, rather, like them, to make a new beginning. Such beginnings are at once purifications and mutations: With them something different always begins as well.

MEXICO QUOTES

-Octavio Paz has spoken of a "unity of purpose" in his writings on democracy.

-Bernal Diaz said of Mexico that "I stood looking at it and thought that never in the world would there be discovered other lands such as these. (1519)

For more suggestions, contact
Becky Pestana X 6266

I'm delighted in

Encantado de volver aquí.

(to return here)

Encantado de regresar.

(to be back)

Encantado de estar de nuevo

(to be here anew)

Encantado de estar con ustedes

(to be with you all)

I celebrate...

Celebro estar aquí.

(being here)

Celebro estar con ustedes

(being with you all)

Celebro estar en Mexico

(being in Mexico)

Es un placer volver.

It's a pleasure to return

**United States
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Service**

(Miss) of the United States of America
Mexico, D.F.

647-8386



November 8, 1990

MEMORANDUM TO: ARA - Ms. Salley Grooms Cowal
ARA - Mr. Richard Howard ✓

FROM: CPAO - Robert L. Earle *RE*

SUBJECT: Draft Presidential Public Remarks and
State Luncheon Toast

I have prepared drafts for all the President's public remarks during the State visit, including "contingent" remarks for various sites where he may or may not be asked to speak. All these texts have been cleared by the Ambassador and Country Team.

The attached drafts are presented in the order in which I expect they will be delivered. They are:

CONTINGENT PRESIDENTIAL REMARKS SHOULD ARRIVAL STATEMENT
BE NECESSARY AT MONTERREY AIRPORT

CONTINGENT PRESIDENTIAL REMARKS IF ARRIVAL CEREMONY IS
HELD AT AGUALEGUAS

DRAFT PRESIDENTIAL REMARKS AT FIESTA FOLLOWING CHARREADA
IN AGUALEGUAS

DRAFT PRESIDENTIAL REMARKS ON STEPS OF GOVERNOR'S PALACE

DRAFT PRESIDENTIAL REMARKS ON RECEIVING KEYS TO MONTERREY

DRAFT PRESIDENTIAL REMARKS ON CREATION OF U.S. - MEXICO
COMMISSION ON EDUCATIONAL AND CULTURAL EXCHANGE

DRAFT PRESIDENTIAL REMARKS FOR USE AT MEETING WITH
BUSINESSMEN IN MONTERREY CASINO

DRAFT PRESIDENTIAL TOAST AT STATE LUNCHEON

DRAFT PRESIDENTIAL STATEMENT FOR USE, IF NECESSARY AT
MONTERREY AIRPORT DEPARTURE CEREMONIES

Attachments

**DRAFT PRESIDENTIAL STATEMENT FOR USE, IF NECESSARY AT
MONTERREY AIRPORT DEPARTURE CEREMONIES**

NOVEMBER 27, 1990

President Salinas, Governor Trevino, friends and neighbors:

I leave Monterrey more firmly convinced than ever before that Mexico and the United States are seizing every opportunity to prepare our bilateral relationship for the global competition of the 1990s.

In my talks with President Salinas, we agreed on the need to advance both the Uruguay Round of GATT and our bilateral Free Trade Agreement as expeditiously as possible.

There's no time to lose in modernizing our economic cooperation and putting it to work in creating jobs, raising productivity, and facilitating cost-effective investments.

A strong Mexico is good for the United States, a strong United States is good for Mexico, and free trade is a sure path to greater prosperity for us both.

At the same time, we discussed ways to ensure that our societies are as healthy as our economies are dynamic. The war against drugs, educational and environmental cooperation, and close coordination all along our 2,000 mile border are ways to reach this goal.

President Salinas, your leadership has done so much to make a strengthened partnership between Mexico and the United States possible. Your far-sighted commitment to modernization, eloquently expressed in your recent State of the Nation address, points the way to bilateral cooperation that simply is better than ever.

My impression these last two days persuade me that a new Mexico is in the making. Monterrey's industrial resilience, Agualeguas' heart, and Nuevo Leon's energy give Mexico's future unique promise. Our relationship, our hemisphere, and our world are sure to be the beneficiaries of your success.

Barbora and I thank you and Cecelia for your wonderful hospitality, and we look forward to receiving you both when we next meet in the United States.

Thank you very much.

DRAFT PRESIDENTIAL TOAST AT STATE LUNCHEON

NOVEMBER 27, 1990

President Salinas, if I may, I would like to raise my glass to you in thanks for your friendship, your counsel and your commitment to a stronger relationship between our two countries.

When we first met in Houston in 1988, neither of us had assumed office, but both of us were fully aware of the challenges we would face in giving this relationship leadership and direction.

Speaking for the United States, no country is more important to us than Mexico. Our southwest bears the imprint of your culture. You are our third largest trading partner. Twelve million Americans call Mexico their madre patria, and challenges such as conflict in Central America and powerful narco-traffickers in the Andes test our will and our wisdom.

Yet in Houston and in our five meetings since then, you always have brought Mexico's perspective into positive focus, pointing the way to the kind of communication and cooperation that has benefitted us both so much.

Perhaps no gesture of Mexico's goodwill and interest has been more expressive than the magnificent exhibition, "Mexico: Thirty Centuries of Splendour," now on display at the Metropolitan Museum of Art in New York.

Now we are on the verge of negotiating an historic Free Trade Agreement which will be the symbol of how far our two countries have come in learning to understand, trust, and work with one another.

This agreement will unleash powerful energies in both our economies. Countless new ventures will emerge. Jobs, higher-standards of living, and greater productivity will make us both more competitive on the global scene.

Mr. President, a relationship between two countries that are so different will always be a challenge, but your penetrating insight into our common interests and lasting friendship has radically altered its terms for the better.

In your second State of the Nation address, you emphasized Mexico's determination to reach out to global change and seek to embrace it. Without minimizing uncertainty, you saw fresh hope. Without ignoring risks, you celebrated new freedoms.

Mr. President, I share your views and celebrate them myself. We are not on an easy path, but I firmly believe we are on the right one, and there is no one with whom I would rather travel it than with you and the Mexican people.

I raise my glass to the great leader of a great nation, President Carlos Salinas de Gortari.

DRAFT PRESIDENTIAL REMARKS ON STEPS OF GOVERNOR'S PALACE

November 26, 1990

President Salinas, Governor Trevino, Mayor Rizzo, friends and neighbors:

Thank you for your warm words of welcome. It's wonderful to be in Mexico, and it's wonderful to be in Monterrey.

As I look out at this beautiful Macro Plaza, I realize that I stand before Mexico's greatest heroes.

Hidalgo and Morelos, who set this great nation on the road to independence.

Juarez and Escobedo, who defined and defended the principles of justice and freedom that guide the Mexican state even to this day.

President Carlos Salinas de Gortari, who is modernizing Mexico within its own cherished framework of values and beliefs.

And the Mexican people themselves, all of you here tonight, who have helped create this great city of Monterrey, this great state of Nuevo Leon, and this great country of Mexico.

I come here myself to show the enormous respect the people of the United States have for your dynamism and vigor.

As you know, I am a Texan, a neighbor near at hand. ^{We are all} ~~And I~~
~~Westerners who came to these once barren lands to seek our~~
~~think the time I've spent under the big sky down here~~
~~fortunes, to develop our wilderness and to shape our values.~~
~~gives me all the more reason to admire your vision and~~
~~your accomplishments.~~

When Franklin Delano Roosevelt came to Monterrey in 1943 to meet with President Avila Camacho, Texas and Mexico were quiet parts of the globe, far away from the center stage of a world at war.

~~No~~ ^{West to Texas} When my wife Barbara and I came ~~south~~ after the war was over, we never imagined that forty years later we would be visiting a border that might well be called the frontier of the future.

Yet that is the splendid course history has taken. Mexico and the United States are on the move. And in our consultations President Salinas and I are discussing how we can go even further in building a stronger relationship. ~~full of exciting new ideas and opportunities.~~

We want to see if we can advance the idea of free trade, so vital to ~~our~~ creating jobs and prosperity in your economy and our own. We want to consult on how we can put an end to the scourge of drugs, so threatening to our youth. We have a precious environment to protect and future generations to educate--these are ^{Subjects} ~~themes~~ we must address as well.

And of course there is a changing and in some cases troubled world beyond our borders. What can each of us do to make peace and prosperity the foundations of a new world order? The reconstruction of Central America, the peaceful restoration of the legitimate government of Kuwait, and the successful conclusion of world trade talks under GATT are a few of the ^{topics} ~~themes~~ we already have begun to discuss.

What we seek, to put it simply, is a world that looks like the U.S.-Mexico relationship itself--oriented towards cooperation, communication, and respectful partnership in seizing the many opportunities that lie before us.

Looking out at you and the statues of your great men, it's clear to me that history is on our side. Abundant moral reserves give us direction and give us courage.

And in President Salinas, I know I have the kind of friend who will answer any challenge with the same ideals that move me and the people of the United States. Hard work, total candor and full respect will be our guides as we join together in building a stronger Mexico, a stronger United States, and a better world.

Thank you for your warm reception, God bless you all, and vivo Mexico!

**DRAFT PRESIDENTIAL REMARKS AT FIESTA FOLLOWING CHARREADA
IN AGUALEGUAS**

November 26, 1990

President and Mrs. Salinas:

Let me just say how delighted Barbara and I are to be here in your home town of Agualeguas and to be able to spend the kind of informal time together we shared at Camp David last year.

To Mayor Reynaldo Canales Vela, and the people of Agualeguas:

Let me just say how thrilled we are to join you, and how deeply grateful we are for your wonderful hospitality.

It's obvious to me where your President gets his special touch and why he is so close to the needs and feelings of the people of Mexico.

He comes from the people right here in Agualeguas, and he has never lost his roots in the small town family values of community and family.

~~There's trust, honesty, and warmth, and some of the best~~
horsemanship I've seen in years.

As I look around this pretty plaza, I realize this is a glimpse of Mexico I'll never forget.

Mr. President, thank you so much for having us here among your family and friends.

CONTINGENT PRESIDENTIAL REMARKS
IF FORMAL ARRIVAL CEREMONY IS HELD AT AGUALEGUAS

November 26, 1990

President and Mrs. Salinas, Mayor Reynaldo Canales Vela,
friends, and neighbors:

I come here today to carry on a tradition established by
many presidents before us. Mexico and the United States
are neighbors, close neighbors, and we have things to talk
about. Like two sides of those beautiful mountains we see
in the distance, we have risen up on the same continent
and come together to build a vast relationship -- broad
and solid at the base, weathered in places but
strengthened by time, ~~and arching upwards.~~

Our people, our cultures, our ^{geographies} ~~difficulties~~ and our
~~accomplishments~~ all have brought us together. ~~Managing so~~
~~much interaction effectively always has been a challenge,~~
~~and it has never been more important to meet that~~
~~challenge than today.~~

^{Our}
In ~~my~~ ^{our} ~~many~~ frequent talks with President Salinas since
we both were elected, I think ^{Mr. Salinas + I} ~~we~~ have established a new
clarity in ^{our} ~~this~~ relationship -- about the problems we want
to see solved, and the opportunities we think ought to be

CONTINGENT PRESIDENTIAL REMARKS SHOULD ARRIVAL STATEMENT
BE NECESSARY AT MONTERREY AIRPORT

November 26, 1990

Foreign Minister Solana, friends and neighbors:

I want to say first of all how pleased I am to be here in Mexico to consult with President Salinas and to hear the views of his closest advisors.

This regular exchange of visits reflects the permanent importance Mexico has for the people of the United States.

There's so much we can do together to ensure the health, welfare and prosperity of our societies and economies. At the top of the agenda rank issues like free trade, the war against drugs, education and the environment. They all require careful ^{monitoring} ~~assessment~~ to sustain the kind of exciting progress we have seen in the U.S.-Mexico relationship over the last two years.

And I know that's the kind of ^{attention} ~~assessment~~ they'll get. I'm proud to say that President Salinas and I have come to share a frank and open dialogue on the full range of bilateral and international issues.

In the next two days I look forward to spending time with him here in the part of the country he and his family call home. In the process, I'm sure that I will get to know Mexico and the Mexican people better, too, and that, most assuredly, is all to the good.

Communication is the key to facing the many challenges that lie ahead of us. It's the surest way I know of to strengthen an overwhelmingly positive bilateral partnership--a partnership based not just on common interests but also on the friendship, candor and mutual respect that bind our two great nations so closely together.

Thank you very much.

**DRAFT PRESIDENTIAL REMARKS FOR USE AT MEETING
WITH BUSINESSMEN IN MONTERREY CASINO**

November 27, 1990

**Secretary Serra, Secretary Mosbacher, friends and
neighbors:**

**We're making important progress in every dimension of our
relationship with Mexico. More people cross the border
than ever before. More illegal drugs are being seized
than ever before. More universities are developing
exchange programs than ever before. And more is being
done between us to protect our precious environment -- up
here along the border and as far south as the Lacandon
tropical forest.**

**But it is difficult to imagine any theme more important
than the one you are discussing here this morning.**

**You in the private sector create the economic resources
that sustain our relationship as a whole, and that's why
the negotiation of a Free Trade Agreement between Mexico
and the United States is so vital.**

Free trade means jobs, investments, productivity and prosperity. I know you in Mexico have long understood the economic importance of the United States. Now we see just as clearly the economic importance of Mexico. For us you are our number three trading partner in all the world. \$52 billion dollars last year, and the numbers are rising this year towards a total that is even higher.

Since we calculate that every billion dollars of exports creates 25,000 jobs, we are talking about major contributions to the welfare of many, many Mexicans and Americans.

In his recent State of the Nation address, President Salinas said Mexico doesn't want to be a third world nation; it wants to be a first world nation.

Well, that's what we want for Mexico, too, and that's what we see happening.

In your automotive, electronic tourism and other industries, you have world-class productive capabilities. More than that, you've got youth, drive, and dreams on your side. And we think that's good for us both -- a Mexico that wants to get out and compete, a Mexico with purchasing power and a Mexico with selling power.

When the economic crisis hit Mexico hard in the early 1980s, our southwest border suffered. Fortunately, the principle works the same way in reverse. You grow, we grow.

As we enter into the process of negotiating a Free Trade Agreement, I know that many of you will be as burdened by worries as you are buoyed up by plans. And we'll hear criticisms, just as we did when we negotiated the Free Trade Agreement with Canada.

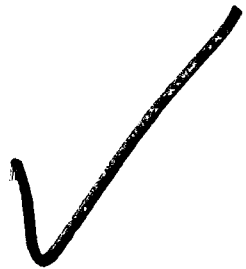
But let's look at what trade liberalization already has done for us. Mexico enters GATT, and bilateral trade soars from \$35 billion in 1987 to the \$52 billion I just cited in 1989. The in-bond industry takes hold and reaches growth rates of 20% a year, creating a half a million jobs.

There's a worldwide consensus in favor of free trade, but not everyone has the vision to make it happen. I think Mexico and the United States do have that vision, and we will be looking to you, far-sighted businesspeople, not only to make it happen, but to make it succeed.

Thank you very much.

**DRAFT PRESIDENTIAL REMARKS ON CREATION
OF U.S. - MEXICO COMMISSION
ON EDUCATIONAL AND CULTURAL EXCHANGE**

November 27, 1990



President Salinas:

This agreement, creating the U.S. - Mexico Commission on Educational and Cultural Exchange, is a major step forward for us all. It will help us develop the future leaders we need to sustain the policy advances our two governments are working so hard to achieve.

Further, it will bring our two societies closer together in new and creative ways, generating fresh approaches to our evolving cultural and intellectual realities.

I cannot think of a better symbol of our friendship than a binational commission that is directed by a board drawn from the private and public sectors alike. This guarantees that the right questions always will be asked, and the best answers always will be given.

Thank you very much.

**DRAFT PRESIDENTIAL REMARKS ON RECEIVING KEYS
TO MONTERREY**

November 26, 1990

Mayor Rizzo:

It is an honor to accept the keys to the City of Monterrey, a great capital of industry, technology, scholarship and culture.

Monterrey's spirit and energy are the essence of Mexican modernization and creativity.

For you and your fellow citizens, what can be dreamed can be accomplished, and what can be imagined can be forged. With that approach to the future, you are the best friends I and the people of the United States could ever have.

Thank you very much.



**A Message to U.S. Exporters
From Secretary of Commerce Robert Mosbacher**

An exciting new era in U.S.-Mexico relations is beginning as President Bush formally notified Congress on Sept. 25 of his intent to enter free trade negotiations with Mexico.

This issue of *Business America* is devoted to the evolving commercial climate in Mexico. I strongly encourage you to take a close look at the magazine—and at the Mexican market. Economic reforms in Mexico are rapidly translating into growth for Mexico and business opportunities for U.S. exporters and investors. President Bush has said of our relations with Mexico, "Together we've improved opportunities for bilateral trade and investment and nurtured our environment." A free trade agreement would continue to improve our economic relations and foster substantial rewards for the United States and Mexico.

The U.S. Department of Commerce, with its Mexico division, 67 domestic field offices, and three commercial offices in Mexico, stands ready to help you take advantage of this new U.S.-Mexico partnership.

U.S.-Mexico Free Trade Agreement Means Greater Mutual Prosperity

*By Ingrid Mohn
Office of Mexico and the Caribbean Basin
International Trade Administration*

President Bush notified the U.S. Congress on Sept. 25 that the United States and Mexico intend to initiate negotiations for a free trade agreement (FTA). Both President Bush and Mexican President Salinas are convinced that the expansion of trade and investment resulting from a free trade agreement would lead to greater economic prosperity for the citizens of our two countries.

Why Free Trade With Mexico?

There are three answers to this question—location, location, location. The Rio Grande forms part of the 2,000-mile border we share with Mexico, which is one of the longest bilateral borders in the world. Such a situation naturally encourages the flow of goods. Trade between the two countries has taken place for decades—and is predicted to swell to an all-time high of \$60 billion this year. Mexico is our third largest trading partner and our third largest export market—behind only Canada and Japan.

Investment is also a natural between the United States and Mexico. Total U.S. direct investment totals more than \$5.5 billion, and estimated Mexican investment is around \$1 billion.

What Are The Benefits?

The most basic benefit of a free trade agreement for the United States would be increased exports resulting from the reduction or removal of Mexican barriers to U.S. products. Exports are key to U.S. economic growth, and an export-driven boost to the U.S. economy translates into thousands of new jobs for U.S. workers. It is estimated that each \$1 billion of exports generates about 22,000 U.S. jobs.

U.S. goals in free trade negotiations, however, go well beyond reducing tariffs. Although specific goals have not yet been set, we will seek better access for U.S. services and investment, and continued improvement in intellectual property rights protection.

The positive impact that a free trade agree-

ment is expected to have on the Mexican economy will directly benefit the United States. Economic growth in Mexico means a larger market for U.S. goods, and growth of our border industries and services. The FTA would reduce or eliminate remaining barriers to U.S. goods and services. Coupled with our Canadian free trade agreement, it would place the United States in the middle of a North American market with a combined output 25 percent larger than the European Community's.

By creating jobs and improving the economy of our southern neighbor, a free trade agreement could also alleviate some of the problems along our border, such as drugs, immigration, and pollution.

Why Now?

This is a much more complex question, which involves global, political, and historical answers. The global trade picture of today is one which includes many unknown quantities, including the results of the struggle to conclude a meaningful multilateral agreement in the GATT, the final formation of the European Community, and the effect of the emergence of the former Soviet bloc countries into the world of capitalism. These unknown quantities around the globe have made focus on the known quantities a natural—our neighbors to the south, who are our third largest trading partners, and our neighbors to the north, who are our largest trading partners. It is in these two countries that reduction of borders and expansion of trade seems easiest, least costly, and most mutually beneficial.

Political factors are pushing us in this direction as well. The extensive economic reforms undertaken in a short period of time by President Salinas have made this agreement possible much sooner than anyone expected. The fact that Salinas' term expires in 1994, and that the "fast track" provision (a provision that provides for the completion of a negotiated package in two years) expires in 1993, are also expediting factors. Success with the U.S.-Canada FTA has made President Reagan's vision of

A free trade agreement will lead to greater prosperity for both countries.

The FTA's spirit of cooperation will lay the groundwork for trade agreements with the rest of Latin America.

free trade on the continent seem feasible. Furthermore, President Bush and his administration have succeeded in heightening our awareness of Mexico and its importance to the United States, and in improving relations markedly between our two countries.

Recent historical factors are strong ones in our bilateral relationship, too. Since the mid-1980s, our two countries have been building on previous accomplishments, step-by-step improving our relationship. Highlights include Mexico's accession to the General Agreement on Tariffs and Trade in August 1986, Mexico's dramatic reduction in tariff rates in 1987, the signing of the U.S.-Mexico Framework Agreement in 1987, and the signing of the Trade and Investment Facilitation Agreement in 1989. Between these milestones were hundreds of bilateral meetings at all levels, and years of consultations with industry, making this strong, steady betterment possible. Our two countries have worked very hard to be in this history-making position now.

This accomplishment is an example to be upheld for all Latin nations in President Bush's Enterprise of the Americas initiative. The spirit of cooperation, the willingness to make necessary economic reforms, and the strength to ensure success will lay the groundwork for trade agreements with the rest of Latin America.

What is the Timetable?

President Bush notified the U.S. Congress of the intent to negotiate an FTA after President Salinas formally requested an FTA in a letter dated Aug. 21. U.S. trade law requires that Congress be given 60 legislative days to approve the use of the "fast track" process. "Fast track" means that if Congress approves the use of this provision, the Administration must return with a negotiated package within two years, at which point Congress can either accept or reject the treaty, without amendments. Mexico received approval from the Mexican senate earlier this year to open trade talks with the United States.

The overall timetable, therefore, means negotiations will probably begin sometime next spring, with possible conclusion of a successful agreement in 1993. President Salinas' term expires in 1994.

What is Commerce's Role?

The U.S.-Mexico Free Trade Agreement, and Mexico's economic reforms, mean increased opportunities for U.S. business. To promote these new business opportunities, Secretary of Commerce Mosbacher and Mexican Secretary of Commerce and Industrial Development Serra established the Joint Committee for Investment and Trade (JCIT). The JCIT has organized several business development missions and seminars to educate U.S. business on what these changes mean, and how to take advantage of them.

Does the Private Sector Play a Role?

The Department will also consult with the private sector through organizations such as the Industry Sector Advisory Committees, and the Industry Policy Advisory Committee. Information collected from these sources, coupled with the analysis in the required ITC study and Trade Policy Staff Committee hearings, will guide us in forming goals for the FTA.

The Department of Commerce fully supports the free trade agreement and Mexico's trade regime improvements. Overall, an FTA will benefit both the United States and Mexico by boosting output, incomes, and employment. Now is the time for U.S. businesses to learn how this history-making agreement can translate into increased exports.

U.S.-Mexico-Canada FTA: Trilateral Agreement Possible

Canada has expressed a desire to participate in the free trade negotiations, with a view to negotiating an agreement or agreements involving our three countries. President Bush has said that he welcomes the opportunity to work with our two neighbors towards this end. The three trade ministers are already planning to consult actively in the coming months to discuss the feasibility of a broader agreement.

Frequently Asked Questions About The Free Trade Agreement

Commerce's Mexico Desk has received many questions on U.S.-Mexican issues since the announcement June 10, 1990, of the President's interest in negotiating a Free Trade Agreement. Here are the answers to some of the most frequently asked questions.

What is the level of trade between Mexico and the United States?

- Mexico is our third largest trading partner, after Canada and Japan, and our third largest export market. U.S. exports to Mexico were up 20 percent in 1989 to \$25 billion, while imports grew by 17 percent to \$27 billion. Total bilateral trade was a record \$52 billion.
- The United States has run a merchandise trade deficit with Mexico since 1982. The U.S. deficit has declined from a peak of \$7.7 billion in 1983, to \$2.2 billion in 1989.
- In the first half of 1990, the U.S. deficit was \$0.9 billion (down from \$1.1 billion in first-half 1989).

What is the composition of trade between the United States and Mexico in manufactured goods?

- In 1989, 82 percent of U.S. exports to Mexico, and 72 percent of U.S. imports from Mexico, were manufactured goods.
- Leading U.S. exports were motor vehicle parts, processed food, electronic components, telecommunications equipment, electrical switchgear, and aircraft. Mexican tariffs on these goods ranged from 10 to 20 percent.
- Fastest growing imports were motor vehicles, automotive parts, telecommunications equipment, and electrical distribution and switching gear. U.S. tariffs on these goods ranged from 0 to 8.5 percent.

What is the difference between a free trade agreement and a common market?

- A common market involves questions of

political and economic national sovereignty by including consolidation of governing bodies, policies, and procedures under a single unified system, such as the European Economic Community.

- A free trade agreement would mean unimpeded exchange and flow of goods and services between trading partners regardless of international boundaries.

What are the legislative requirements to formally enter into FTA negotiations with Mexico?

- "Fast track" consideration of trade agreements is provided for by the Omnibus Trade and Competitiveness Act of 1988. Key provisions of the authority include that the foreign country request negotiation of an FTA; and that the President give the Congress a 60-legislative-day notice of intent to negotiate an FTA. (President Bush notified Congress on Sept. 25, 1990, of the intent to negotiate an FTA with Mexico.)
- During the 60-legislative-day period, either committee can disapprove fast track authority by a majority vote. Disapproval would all but end the possibility of FTA negotiations.
- The 60-legislative-days can translate into five to ten months of calendar time, depending on the Congressional schedule. Formal negotiations would begin following this 60-day Congressional consideration period.

What are the areas of greatest U.S. interest in an FTA with Mexico?

- Presidents Bush and Salinas defined the proposed FTA as a process of gradual and comprehensive elimination of trade barriers between the United States and Mexico.
- The United States is likely to seek a comprehensive agreement covering goods and services, intellectual property rights, and investment. We would seek to eliminate, or reduce substantially, all distortions or barriers to goods, services, and investment, and discuss

Mexico is our third largest trading partner and third largest export market.

changes that would improve and expand their flow.

- Before negotiations are begun, the Administration will seek views and advice from the Congress and the private sector on the shape and scope of an agreement.

What are some of the non-tariff barriers to the export of U.S. goods to Mexico?

An FTA could stimulate the same kind of growth the U.S. has experienced with the EC.

- Import permits and licenses are still required in Mexico for products such as wood and wood products and auto parts and are required on more than 200 other products.
- Procurement: Mexico encourages "buy national" policies in sectors such as telecommunications and construction products (wood and flat glass).
- Standards, testing, and certification, as well as registration and certificate-of-origin requirements, are problems in processed food, alcoholic beverages, and telecommunications.
- Exclusive sales and/or distribution contracts are used by Mexican brewers to tie up local retail outlets, limiting imports of alcoholic beverages.
- There are quantitative restrictions on automobiles.
- Intellectual property rights protection remains a problem for U.S. companies, especially in the pharmaceutical sector.
- Investment regulations in Mexico have been liberalized considerably since 1988; however, there are still significant limitations on domestic and foreign investment. Direct foreign investment is still sharply restricted in auto parts, petrochemicals industries, utilities, and some service sectors, particularly the financial services and land transportation areas.

How would an FTA affect the growth of the U.S. capital goods sectors?

- An FTA should result in increased prosperity

for both countries. Increasing growth and competitiveness in both economies will translate into more jobs, products that are more globally competitive, and increased exports for both countries.

- Although a U.S.-Mexico FTA would not be as comprehensive as the European Community's 1992 program, the growth generated by the FTA could have some of the same results as the EC's efforts to eliminate trade barriers. The United States has gone, in three years, from a \$23 billion trade deficit with the EC to a surplus of just over \$1 billion. One of the principal reasons for this is growing demand in the EC for U.S. products, especially capital goods. The source of this demand is new growth generated in Europe by the elimination of internal barriers to trade. We may see a similar development with Mexico. Growth in Mexico caused by an FTA may generate an increased demand for U.S. manufactured products, especially capital goods.

What is the status of U.S.-Mexican automotive trade, including any talks that have been held recently?

- Automotive trade is the largest component of U.S.-Mexican bilateral trade. In 1989, the United States exported \$3.9 billion in automotive products to Mexico and imported \$5.8 billion from Mexico—a \$1.9 billion surplus for Mexico.
- In December 1989, the Mexican government liberalized trade in this sector by allowing more imports of new vehicles (through established Mexican producers) and by reducing local content requirements.
- The decree permits a rationalization of the Mexican automotive industry as it encourages the production of only those products in which Mexican companies are competitive.

- Although liberalization has taken place in the investment arena, foreign investment in the auto parts sector continues to be limited to 40 percent and must have prior approval by the Foreign Investment Commission.

U.S.-Mexico Committee Translates Economic Opening Into Opportunities

*By Andrea Curaca Malito
Office of Mexico and the Caribbean Basin
International Trade Administration*

The Joint Committee for Investment and Trade (JCIT) was established by U.S. Secretary of Commerce Robert A. Mosbacher and Mexican Secretary of Commerce and Industrial Development Jaime Serra Puche last October to identify and promote commercial opportunities on both sides of the border.

JCIT events have generated a great deal of interest among U.S. business in trade and investment opportunities with Mexico and are increasing awareness of the positive economic changes taking place in Mexico. As a direct result of JCIT activities, several companies have identified specific investment projects and made investments—contributing to a 12 percent increase in approvals of U.S. investment in Mexico during 1990.

There will be a major JCIT event Oct. 22-26. Secretaries Mosbacher and Serra will lead a series of conferences across the nation to alert U.S. business to Mexican market opportunities and to help U.S. firms gain the information necessary for successful business dealings with Mexico. The seminars will highlight Mexico's changing trade and investment climate and detail how U.S. firms can profit from doing business with this growing economy.

The Secretaries, along with a panel of key experts from both countries, will examine topics of importance to U.S.-Mexican interests, specifically commercial and economic developments, Mexico's foreign investment laws and regulations, major trade opportunities and investment projects, and the significance of U.S.-Mexico free trade for U.S. business.

Numerous activities have been conducted under the JCIT. The first was the highly successful Secretarial-led Business Development Trade and Investment Mission to Mexico in November 1989. CEOs from various sectors accompanied the Secretary on the mission. Two additional high-level trade and investment missions have been conducted this year in petrochemicals and insurance, and another will take place in mid-October for pollution control. A travel and tourism mission is planned for the fall.

The JCIT also includes a program of technical support and information exchange, under which we held the Joint Legal Exchange in Mexico last June, which served as a forum for the exchange of ideas on Mexican commercial legal reforms and the legal foundations of the U.S. market economy. We expect to have another full agenda of JCIT events for 1991.

Secretaries Mosbacher and Serra are highlighting trade opportunities with Mexico in four seminars across the nation.



Secretary of Commerce Robert Mosbacher (right) and Mexican Secretary of Commerce and Industrial Development Jaime Serra Puche (left) will lead a series of conferences across the nation this month to discuss U.S.-Mexican business opportunities.

Regulations governing imports have been revamped and streamlined to encourage foreign participation.

A Message to American Business From U.S. Ambassador to Mexico John D. Negroponte

The Mexican market continues to offer U.S. business people exciting export and investment opportunities. In the last two and a half years the regulations governing imports into Mexico and foreign investment have been substantially revamped and streamlined to encourage greater foreign participation in the economic recovery and industrial expansion of the country. In addition to making these changes to foster greater entrepreneurship in Mexico and participation by Mexico in the international marketplace, the Mexican government, in collaboration with the labor unions and the private sector, has been following a consistent economic program based on strict monetary and fiscal restraints, along with wage and price controls, that has created favorable conditions for doing business in Mexico. Mexico increasingly is an excellent place to do business that no U.S. firm should overlook.

The United States Embassy in Mexico places a high priority on assisting U.S. firms to take advantage of the opportunities awaiting them here. The U.S. Department of Commerce maintains a large staff of U.S. and Mexican professionals at its offices at the U.S. Embassy and U.S. Trade Center in Mexico City and at the U.S. Consulates in Guadalajara and Monterrey to monitor the commercial environment, to counsel U.S. companies on doing business in Mexico, and to organize trade promotion events featuring U.S. products. These services are open to all U.S. investors and exporters of U.S. products and we invite you to visit us.

Key Mexico Contacts

U.S. Government Agencies

<i>Agency</i>	<i>Name</i>	<i>Responsibility</i>	<i>Telephone</i>
Agriculture	Max Bowser	West. Hemis/Mexico	(202) 447-3221
Commerce	Walter Bastian	Mexico Division	377-4464
Defense	Raymond Jorgenson	Mexico Desk	697-9301
Energy	Kathleen Reese	Mexico Desk	586-6777
EPA	Sylvia Correa	Mexico Desk	382-4890
Eximbank	Marion Hinchman	Loan Officer-Mexico	566-8234
	Vince Fragnito	Loan Officer-Mexico	566-8931
Interior	Jeff MacHamer	Mexico Specialist	632-9352
Labor	Peter Accola	Latin America	523-8538
OPIC	John Gurr	Mexico	457-7054
State	Robin Ritterhof	Mexico Desk	647-9292
	Mary Garrison	Economics	647-7677
TDP	Dan Stein	Latin America	875-4357
Transportation	Duane Lougee	Mexico	366-9516
Treasury	Chris McCoy	Mexico Desk	566-8521
	Nancy Lee	Trade-Mexico	566-5261
	Nancy Katz	Invest-Mexico	566-2386
USIA	Bill Lowry	Mexico Desk	619-6835
USTR	Don Abelson	Mexico	395-5663

U.S.-Mexico Commercial Relations Continue to Expand and Improve

By Brian C. Brisson
Assistant Commercial Attache
U.S. Embassy, Mexico City

The prospects for U.S. trade with Mexico for the rest of 1990 and the decade ahead are excellent, especially in view of the commitment the U.S. and Mexican governments have made to conclude a free trade agreement in the early 1990s. During 1989, U.S.-Mexico two-way trade increased by 18 percent from \$44 billion in 1988 to \$52 billion. This expansion was driven by a 21 percent increase in U.S. exports to Mexico and a 17 percent increase in U.S. imports from Mexico.

Since 1986, U.S.-Mexico two-way trade has risen by 75 percent and the level of U.S. exports to Mexico has more than doubled from a level of \$12.4 billion in 1986 to \$25.0 billion last year. This dramatic expansion of the last four years has resulted in Mexico surpassing West Germany to become our third largest trading partner after only Canada and Japan. The level of trade between the United States and Mexico is expected to continue growing for the rest of the year at a rate of 8 percent and exceed \$56.0 billion.

The explosive growth in U.S.-Mexico two-way trade over the last four years has been led by a 108 percent increase in U.S. exports to Mexico and is primarily the result of Mexico's substantial liberalization of trade regulations and a growing awareness on the part of U.S. firms of the opportunities in the Mexican marketplace.

In December of 1987, the Mexican government cut tariffs from 40 percent to a maximum of 20 percent; eliminated a 5 percent surtax on imports; reduced the number of products subject to prior import permits to less than 300 out of the approximately 12,000 items in the tariff schedule; and discontinued the use of official prices for customs valuation purposes. The Mexican government has continued to liberalize the regulations governing imports. In the spring of 1988 the Mexican government removed the prior import permit requirement from most textile and apparel products and in the spring of 1989, it eliminated the import permit requirement for new computer hardware. Beginning with the new model year, the U.S. and other foreign firms manufacturing automobiles in Mexico will be allowed to also import certain

automobiles for sale in Mexico; this is particularly good news for the United States given that three of the five automakers in Mexico are American companies.

Mexico's import liberalization has been undertaken at a much more rapid pace than was required under the terms of its accession to the General Agreement on Tariffs and Trade (GATT) in August 1986 and has been part of an overall government strategy of economic restructuring emphasizing outward oriented policies and international competitiveness. This emphasis was clearly demonstrated this summer by President Salinas' letter to President Bush requesting that our two nations initiate talks aimed at creating a free trade agreement like the one the United States currently has with Canada.

Mexico's policies have not only benefited U.S. exporters who enjoy nearly a 68 percent share of the Mexican import market, but have also benefited Mexican business people as well by encouraging them to look beyond their country's borders to sell their products.

U.S. imports from Mexico during 1989 rose by approximately 17 percent to a record level of \$27.2 billion, and have continued to rise this year at an impressive rate of 7.2 percent. At this rate, U.S. imports from Mexico would reach \$29 billion in 1990. Due to the unexpected rise in the price of oil since August, however, Mexican exports will probably exceed \$30 billion.

Oil is still Mexico's leading foreign exchange earner. Given that the export growth of the past four years occurred during a period of relatively low oil prices, however, the government's economic policies have clearly succeeded in diversifying the country's exports and in reducing its reliance on oil as a source of export earnings.

Mexico is the third-largest market for U.S. exports in the world. Intermediate goods, such as automotive and electronics parts, account for much of the United States' exports to Mexico. However, U.S. exports of primary products, such as synthetic resins and chemicals; agricultural products, such as corn, soybeans and meat; and increasingly, even consumer goods perform very well.

Mexico's trade liberalization has led to explosive new levels of U.S.-Mexico trade.

Commercial relations between the U.S. and Mexico have never been better.

Mexico's conclusion of a new debt agreement this year with its international creditors has reduced the debt burden and freed resources for continued economic modernization and increased imports, the majority of which will be purchased from U.S. suppliers. The increased resources for economic modernization will enable Mexican industry to become more internationally competitive and position them well to contribute to increased exports of Mexican goods.

Mexico's economy improved during 1989 and has continued to do so this year. The improvements have resulted from the country's strict adherence to an economic program, which combines austerity measures of tight monetary and fiscal policies with wage and price controls. This program was instituted by the government, in cooperation with the business community and labor unions, and has yielded very positive results. The gross domestic product grew by nearly 3 percent last year and is projected to grow at the same rate this year, employment has been rising, the public sector deficit has been declining, and the annual inflation rate has fallen from 160 percent in 1987 to 52 percent in 1988 to 20 percent in 1989. Inflation during 1990 is expected to be approximately 25-27 percent.

The Mexican government has continued to demonstrate its strong commitment to economic reform by extending these successful economic policies through January of 1991. As the economic recovery continues, so will the expansion of the Mexican market for U.S. products and services.

Mexico's policies of trade liberalization and economic restructuring have also resulted in substantial changes in its foreign investment policies. In May of 1989, the Mexican government issued a new foreign investment regulatory regime that greatly expanded the number of industrial sectors where majority foreign ownership is welcome, streamlined the procedure and made more transparent the conditions for foreign investment, created mechanisms through which foreigners can invest in Mexico without prior government approval, and initiated a worldwide campaign to encourage foreign investment in Mexico and greater foreign participation in the country's economic recovery and industrial expansion.

The United States and Mexico have agreed that increased commercial links would yield positive benefits for both countries. In order to encourage this expansion, Secretary Mosbacher and Mexican Secretary of Commerce and Industrial Development Jaime Serra Puche have created the Joint Committee for Investment and Trade, a binational committee which has, for the last year, been promoting greater awareness on both sides of the border of trade and investment opportunities in both countries.

The program began in earnest in November 1990, when Secretary Mosbacher led a group of 16 CEOs of major U.S. corporations to Mexico to meet with Mexican government officials and private sector representatives and learn firsthand about the new business opportunities. Since then, senior U.S. Department of Commerce officials have led two trade and investment business development missions to Mexico to investigate opportunities in insurance and petrochemicals, and will lead another for environmental firms in mid-October. There has also been a mission to exchange information on corporate law. Another business development mission to Mexico is currently planned for November of 1990 and will focus on opportunities in the tourism industry.

Another event that has been planned for October of 1990 under the auspices of the Joint Committee for Investment and Trade is a series of conferences that will be held in five cities in the United States: Houston, Dallas, New York, Chicago and Los Angeles. These conferences will feature Secretaries Mosbacher and Serra, along with senior U.S. and Mexican government officials and private sector representatives, and will focus on generating greater awareness and interest in the trade and investment opportunities awaiting U.S. business people in Mexico's market.

Commercial relations between the United States and Mexico have never been better, and both governments remain committed to working together to achieve our shared goal of promoting mutually beneficial economic growth. Now is the time for U.S. firms to begin doing business in Mexico. The U.S. and Foreign Commercial Service has offices in three cities in Mexico—Mexico City, Monterrey, and Guadalajara—to help U.S. firms enter the Mexican market successfully.

Mexico's Economic Growth is Achieved Through Reform, Privatization

*By Paul Dacher
Office of Mexico and the Caribbean Basin
International Trade Administration*

The Mexican economy in the fall of 1990 shows economic growth and increased business confidence. Interest rates are declining, foreign reserves are increasing, and progress continues on the fiscal front. In real terms, the peso continues to increase in value in relation to the U.S. dollar. Economic growth in Mexico has been achieved through a program of economic reform that is reducing the government's role in the economy as well as opening the economy to international competition.

Since 1987, when consumer price inflation reached nearly 160 percent, the top priority for the Mexican government has been reducing inflation. In December of that year, the Economic Solidarity Pact (the "Pact") was announced. The Pact combined strict fiscal and monetary policies, wage and price controls, and an exchange rate policy that allowed the peso to significantly appreciate in real terms against the dollar.

The Pact and its successor, the Pact for Stability and Economic Growth, have succeeded in reducing inflation. Consumer price inflation was brought down to 52 percent in 1988, and reduced to 20 percent in 1989.

Progress on the inflation front has had certain costs. Price controls are pressuring profit margins. Limits on wage increases have affected labor negatively and cutbacks in discretionary government spending have seriously affected the country's infrastructure. High real rates of interest, needed to support the exchange rate of the peso, are limiting domestic investment and hence constraining economic growth.

To manage these problems, the government of Mexico is allowing price increases in several sectors, primarily in government-controlled goods such as gasoline and electricity. Because of price adjustments, inflation in Mexico will increase this year, to an estimated 25-27 percent. The government is faced with the delicate task of encouraging economic growth, adjusting prices and keeping inflation down, all at one time.

The exchange rate of the peso has been an important part of the government's anti-inflation program. At present, the peso is being depreci-

ated nominally at a rate of 80 centavos per day. However, due to differences in U.S. and Mexican inflation rates, the peso appreciated, in real terms, by 4.9 percent against the dollar during the first half of this year. This has had the effect of reducing the costs of U.S. products to Mexicans.

A favorable exchange rate, combined with the reduction of trade barriers and economic growth, has increased demand in Mexico for approximately two-thirds of its imports.

Mexico's efforts to diversify its exports away from reliance on petroleum has been a success. Non-petroleum goods now account for 65 percent of Mexico's exports. In contrast, in 1983 petroleum products accounted for the same percentage of Mexico's exports. Thus, Mexico has been able to counter declining petroleum revenues with a successful effort to promote its exports of other products.

Another successful area in Mexico has been the "maquiladora" or "in-bond" industry. The program allows foreign manufacturers to ship components into Mexico duty-free for assembly and subsequent reexport. This sector employs more than 440,000 people in nearly 1,800 plants, and is Mexico's second largest source of foreign earnings.

In early 1990, Mexico restructured \$48 billion in public sector debt owed to commercial banks. The restructuring will take three forms: principal reductions, interest rate reductions, and new money. The World Bank and International Monetary Fund have also committed new funds to Mexico. The restructuring is expected to reduce Mexico's foreign debt servicing by \$4 billion annually during the period 1990-1994. Mexico's total foreign debt was estimated to be \$94 billion at the end of March 1990.

Mexico's current account for 1990 was forecast to be \$5.0 billion in deficit, before the recent surge in oil prices. Mexico has announced that it will increase its exports by 100,000 barrels per day until October. During the first four months of this year, Mexico exported an average of 1.2 million barrels of crude oil per day. Expansion of Mexico's petroleum exports is limited due to production

**Conclusion
of a debt
agreement
has freed
resources for
continued
moderni-
zation.**

Bank privatization will make financial institutions more competitive.

bottlenecks caused by the lack of investment in Pemex (the state-owned oil company) during the last eight years.

Interest rates in Mexico have declined from their levels at the beginning of the year. At the end of 1989, 28-day Mexican Treasury bills yielded a nominal rate of interest of 39.7 percent (real rate of 17 percent, based on 20 percent inflation). At the end of August 1990, the nominal yield was down to 29 percent, with a real return of about 5.4 percent.

The outlook for the Mexican economy remains good, although unemployment will remain high (it is currently estimated to be 18 percent), and certain sectors, particularly agriculture, will remain depressed. However, stable or higher petroleum prices and growth in the maquiladora sector will increase foreign trade revenues. Imports should increase as the economy continues its expansion. Economic growth was 2.9 percent during 1989, a real improvement over 1988's 1.1 percent. Economic growth in 1990 should also be around 3 percent.

Mexico Privatizes Banks In Effort to Modernize Institutions

Last May, the government of Mexico announced that Mexico's commercial banking sector, which was nationalized in 1982, would be re-privatized. This is the latest step in a major privatization program Mexico has been undertaking, which has included the sale of state-owned airlines, tourism facilities, and industrial facilities.

In July, new regulations governing banking were issued. Under these new regulations, foreigners will be allowed to participate in limited equity positions in newly privatized banks. Foreign investment will be limited to 30 percent of equity, although individual holdings will be limited to a maximum of 10 percent, with government authorization, and 5 percent without. Limits will also be placed on foreign participation on bank boards of directors.

The new laws and decrees affecting banking are intended to modernize and make more competitive Mexican financial institutions. This is in step with the general government policy of increasing competition and efficiencies in Mexico's economy.

New Maquiladora Rules Streamline Approval Process, Facilitate Foreign Investment

On Dec. 22, 1989, the government of Mexico announced new regulations covering the maquiladora industry. This effort to liberalize the maquiladora program is expected to make it an even more attractive and dynamic sector of the economy. Industry established under the maquiladora program is Mexico's second largest source of foreign revenue, and provides economic benefits both to Mexico and the United States. The program allows foreign manufacturers to ship components into Mexico duty-free for assembly and subsequent reexport. The sector employs more than 440,000 people in nearly 1,800 plants.

The new regulations have streamlined the approval process for establishing maquiladora operations. The time period for approval will be reduced to two to three weeks, from the previous period of several months. In addition, the Government has set up a "one stop" procedure for potential investors, so that they do not have to go from office to office in search of information and project approval.

The regulations also allow companies to sell domestically, up to 50 percent of their production, on a government-approved basis. Previously, the limit had been 20 percent. The government has established local content requirements for maquiladoras to sell in the Mexican market. Local content will be required to be 2 percent the first year, 3 percent the second, and 4 percent in subsequent years. Positive foreign exchange balances will have to be maintained. When goods enter the Mexican market, duties will only be assessed on their foreign component.

To encourage Mexican companies to sell to maquiladoras, the government is waiving value-added taxes on products sold to these operations. Currently, the industry uses minimal levels of Mexican components in its production.

Maquiladora operations may now be allowed to import, duty and import license free, products not directly involved in production. This includes computers and other administrative materials and transportation equipment.

U.S. Trade Center Is Effective Way To Enter the Mexican Market

*By David S. Yonker
Deputy Director, U. S. Trade Center
Mexico City*

Established to help U.S. businesses expand their sales to Mexico, the U.S. Trade Center in Mexico City regularly stages trade shows for American products. Mexican business people recognize the Trade Center as one of the best means through which to stay aware of the latest developments in U.S. technology and equipment. Since it was created by the U.S. Department of Commerce in 1972, 192 trade shows have been staged, along with more than 1,800 individual company-sponsored seminars, product exhibits, and training programs. More than 370,000 Mexican buyers have attended product exhibits set up by 7,400 U.S. companies and have purchased U.S. products worth more than \$3.7 billion.

Fiscal year 1990 was a record breaker at the Trade Center. The increase in the number of U.S. companies that participated in events staged there and the larger volume of buyers followed closely the increase in trade between the United States and Mexico. Approximately 21,860 buyers attended nine shows; seminars were attended by 2,060 Mexican business people; and 656 U.S. companies displayed their

products, resulting in 27,083 trade leads. The shows produced more than \$3.5 million in immediate sales and estimated follow-up sales of \$259.4 million in the 12 months after the shows.

To accommodate this surge of U.S. business interest in the Mexican market, U.S. Trade Center staff more than doubled the display area to 18,700 square feet.

In addition to the U.S. Trade Center-organized trade shows, the Center is also available to U.S. businesses that want to sponsor seminars, exhibits, and training programs for staff and customers. Companies are provided with simultaneous translation equipment and audio/visual aids at the Center.

The trade shows that attracted the most buyers and produced the largest projected sales in 1990 were Rep-Com, Petroavance, Maquinas Herramientas, Computacion, and Hotel y Restaurant.

The next show will be Telecomunicaciones '90, to be held Oct. 16-18; it will be followed by Rep-Com on Dec. 4-6. The telecommunications show is very timely, in view of the Mexi-

The U.S. Trade Center is a good way to enter the Mexican market.



U.S. Ambassador to Mexico John D. Negroponte and Fernando Sanchez Ugarte from the Mexican Ministry of Commerce and Industrial Development greet Larry Johnson of Herschel Corporation, an Iowa firm, at REP-COM, which generated 6,800 leads last year. Photo taken by David S. Yonker.

Mexico *continued*

can government's program to privatize the national telephone company, TeleMex. The Rep-Com trade event has traditionally been one of the most popular and best-attended shows sponsored by the Trade Center. It is expected that 200 U.S. companies will participate in the show this year.

Rep-Com is designed for new-to-market com-

panies interested in locating representatives, distributors, licensees, or joint-venture partners. More than 6,800 trade leads were generated in Rep-Com 1989 and 12-month estimated sales were \$89 million.

For information on events scheduled at the U.S. Trade Center, call (52) 591-0155; fax: (52) (5) 566-1115.

The past year's high level of activity at the Trade Center has broken all records.

U.S. Trade Center Events

The U.S. Trade Center has scheduled the following events for the remainder of this year and for 1991 to showcase some of the U.S. products and services that it believes have the best prospects for sales.

TELECOMUNICACIONES '90 October 16-18, 1990	Broadcasting, Telephone, Transmission Communication Equipment Exhibition	Mexico City
REP-COM '90 December 4-6, 1990	Exhibition of Firms Seeking Mexican Representatives, Agents, Distributors, Licensees or Joint Ventures	Mexico City
PLASTICOS '91 February 12-15, 1991	Plastics Technology Equipment and Supplies	Mexico City
AUTOMECANICA '91 March 12-14, 1991	Repair Equipment, Auto Parts and Accessories	Mexico City
COMPUTACION '91 April 9-12, 1991	Computers, Software and Peripheral Equipment	Mexico
HI-TECH USA '91 April 17-19, 1991	Telecommunications and Advanced Technology Equipment Exhibition Computación 91—Spin-off	Guadalajara, Jal.
CASA MODERNA '91 May 14-16, 1991	Home Fixtures, Furnishings Decorations & Life Style	Mexico City
SEGURIDAD '91 June 11-13, 1991	Safety and Security Equipment Exhibition	Mexico City
ARTES GRAFICAS '91 August 13-15, 1991	Graphic Arts Equipment and Materials Exhibition	Mexico City
CONTROL DE PROCESOS '91 September 23-25, 1991	Process Control Instrumentation Equipment Exhibition	Mexico City
HI-TECH USA '91 September 30-Oct. 2, 1991	Telecommunications and Advanced Technology Equipment Exhibition Control de Procesos 91—Spin-off	Monterrey, N.L.

For information regarding the above exhibitions, contact the U.S. Trade Center, P.O. Box 3087, Laredo, Texas 78044-3087; tel. (52) (5) 591-0155, fax: (52) (5) 566-1115.

*Schedule subject to change.

Environmental Mission Will Explore Opportunities in Mexican Market

By Kathleen Hannegan
*Capital Goods and International Construction
International Trade Administration*

Twenty leading U.S. suppliers of environmental equipment and services will travel to Mexico on an environmental trade and investment mission Oct. 15-19. Mission participants will go first to Mexico City and have the option to travel to either Monterrey or Guadalajara at the end of the trip. While in Mexico, mission members will meet with high-level federal, municipal, and private sector officials to discuss how U.S. technologies can be applied to Mexican environmental priorities. Roger Wallace, Commerce's Deputy Under Secretary for International Trade, will lead the mission.

Mexico's environmental and pollution control sectors were identified as top priorities under the U.S.- Mexico Joint Committee for Investment and Trade (JCIT). The Committee was established in October of 1989 to identify trade and investment opportunities in each country, support the promotion of these opportunities, and to cooperate in the organization of trade and investment promotion events. This mission is the third in a series of JCIT missions; it follows two previous sector-specific missions, in the petrochemical and insurance sectors.

The purpose of the mission is to help U.S. companies take advantage of the tremendous opportunities for sales of environmental equipment and services in Mexico. Pollution control and abatement in Mexico is a top priority. The Mexican government plans to spend at least \$100 million on its pollution control program in Mexico City alone over the next three years. In 1989, the total market for pollution control equipment and services in Mexico City was estimated to be \$208 million with an expected 10 percent annual growth rate through 1991. Since 1989, the government of the Federal District has adopted a series of measures that succeeded in reducing emissions in Mexico City by 12 to 15 percent during the winter months of 1989-90. Private firms are also installing pollution control systems in order to comply with new antipollution regulations and more strict compliance requirements.

Below is a list of initiatives developed by the government to counter the pollution problems in Mexico City:

- In November 1989, Mexico City began the

"One Day Without a Car" program. Motorists are required to leave their cars at home one work day each week.

- An obligatory vehicle inspection program has been instituted.

- A new program of oxygenated fuel blends has been initiated.

- Thermoelectric plants are now required to burn natural gas instead of fuel oil.

- Mexico City has undertaken an expansion of the metro system.

- The automotive industry has committed to installing two-way catalytic converters on all new models starting in 1991, and three-way converters starting in 1993.

- PEMEX has begun production of unleaded gasoline.

- President Salinas will announce on Oct. 15 a special program to fight air pollution in Mexico City.

For information on this mission and environmental opportunities in Mexico, contact Kathleen Hannegan at (202) 377-5908.

Environmental and pollution control is a top national priority for Mexico.



Environmental and pollution control are top priorities for Mexico. Left, solar cell panels power a water well pump at a plant in Mexico City. The plant is part of research designed to promote the use of solar energy for rural development.

Japanese Assistance in Pollution Control Opens Door for U.S. Business

*By Andrea Curaca Malito
Office of Mexico and the Caribbean Basin
International Trade Administration*

Japanese credit for environmental projects enhances this market for U.S. firms.

The Japanese government recently extended \$805 million of untied credits to Mexico for environmental projects. This funding is a very important part of Mexico's environment and pollution control program. Moreover, it presents a unique opportunity for U.S. suppliers to develop a market in Mexico for their goods and services in environmental and pollution control—an area identified as a national priority by the Mexican government.

Current opportunities under these credits are principally for producers of equipment and infrastructure used in producing lead-free gasoline and sulphur free fuel and diesel oil. Japan has initially focused its foreign aid to Mexico on combatting air pollution including desulphurization of fuel oil (\$450 million), an unleaded gasoline project (\$315 million), and rehabilitation of locomotives (\$40 million).

There may also be future opportunities under untied Japanese aid for engineering, construction, and equipment in water and solid and hazardous waste treatment. Effective project formulation could serve as the driving force.

U.S. suppliers must "lock in" to the project planning process at a very early stage to obtain business from Japan's untied official development assistance (ODA) to Mexico. Interested U.S. firms must begin their marketing efforts now. U.S. suppliers need to identify environmental projects as they are being developed within the government of Mexico, assist the Mexicans in elaborating these projects through pre-feasibility and feasibility studies, and work with the Mexican government to obtain financing, perhaps from the United States, the World Bank, the Inter-American Development Bank, or the government of Japan. When using Japanese ODA, it would be extremely beneficial for U.S. suppliers to develop business relationships with Japanese firms, including Japanese trading, during project development.

The U.S. government has established a team at the Embassy in Mexico City to help U.S. business in pursuing these environmental proj-

ects. The team will work with Mexican officials to link qualified U.S. firms to specific Mexican needs, identify and develop projects, and secure feasibility study and project funding through the U.S. Trade and Development Program (TDP).

Information on doing business with Mexico and more specific details about these projects and the Mexican government agencies tracking them is available from the Commerce Department's Mexico Desk at (202) 377-4464 and commercial officers at the U.S. Embassy in Mexico City at (011) 525-211-0042.

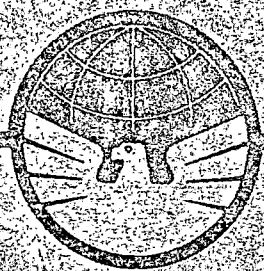
Pollution control has been identified as a priority area under the U.S.-Mexico Joint Committee for Investment and Trade. During the Environmental Trade and Investment Mission to Mexico City in mid-October, Japanese trading houses will meet with our mission members to foster cooperative efforts among U.S. suppliers, the Mexican government, and Japanese firms.

U.S.-Mexico Business Organizations

U.S.-Mexico Chamber of Commerce
1900 L Street, N.W.
Suite No. 612
Washington, D.C. 20036
tel. (202) 296-5198

American Chamber of Commerce of
Mexico, A.C.
Lucerna No. 78
Colonia Juarez
06600 Mexico, D.F. Mexico
tel. 011-525-705-0995

U.S. Council of the Mexico-U.S.
Business Committee Council of the
Americas
1625 K Street, N.W., Suite No. 1200
Washington, D.C. 2006
tel. (202) 659-1547



BUSINESS AMERICA

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THE MAGAZINE OF INTERNATIONAL TRADE



A Partnership for Growth

A Publication of the U.S. Department of Commerce

A Social Disease That Afflicts Us All

This issue of Wilson Quarterly examines one of our nation's most severe, yet underpublicized, problems: illiteracy. Though an informed citizenry is a cornerstone of our democracy, more than 26 million American adults lack a basic means to learn. They are functionally illiterate. The intangible cost cannot be measured. The economic cost is an estimated \$100 billion a year, according to the U.S. Department of Education. We all pay the price.

Gulf+Western is helping to combat the problem both directly and indirectly through:

- **Products**—In our Publishing and Information Services Group, Simon & Schuster's Cambridge Books unit is the leading publisher of specially created books and other learning materi-

als for adults with reading problems.

- **Services**—Increasing numbers of G+W employees are participating in Literacy Volunteers of America programs.

- **Grants**—Simon & Schuster strongly supports literacy programs, including Literacy Volunteers of America and Reading Is Fundamental, with annual contributions, and the Gulf+Western Foundation in June will announce the recipients of approximately \$500,000 in special grants to other nonprofit organizations with exemplary literacy efforts.

A growing number of business and public organizations are joining the campaign to overcome illiteracy. They need your help. Illiteracy is too much a waste of human minds.



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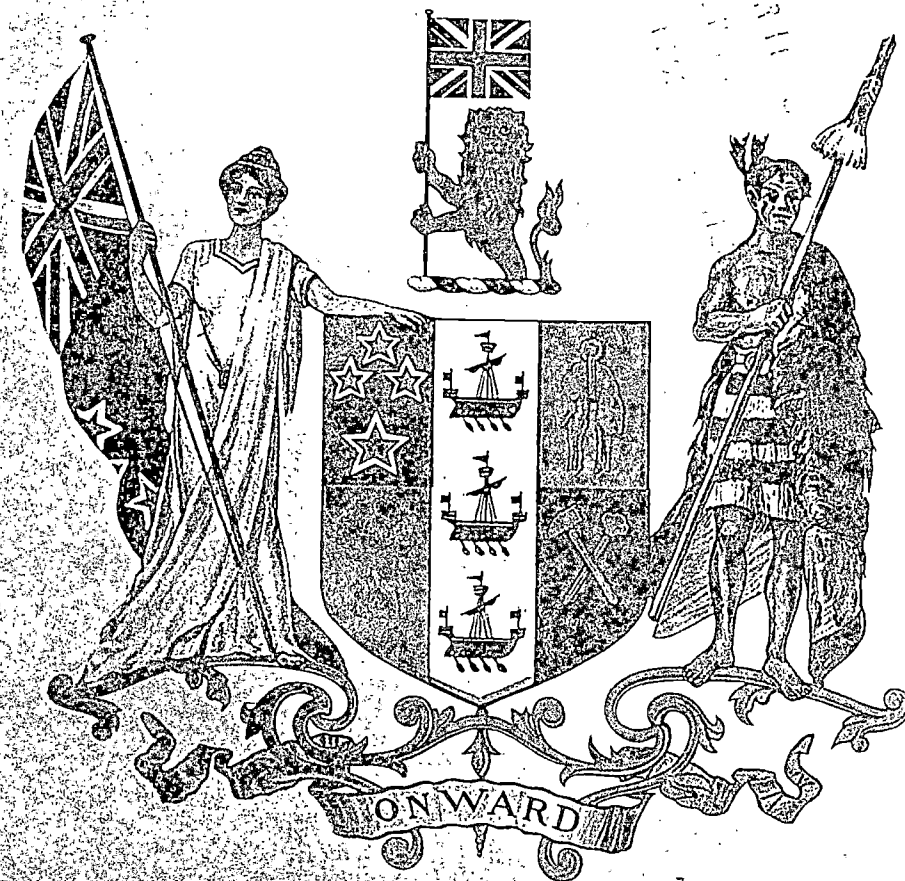
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Ideas

NOTES ON THE UNITED STATES

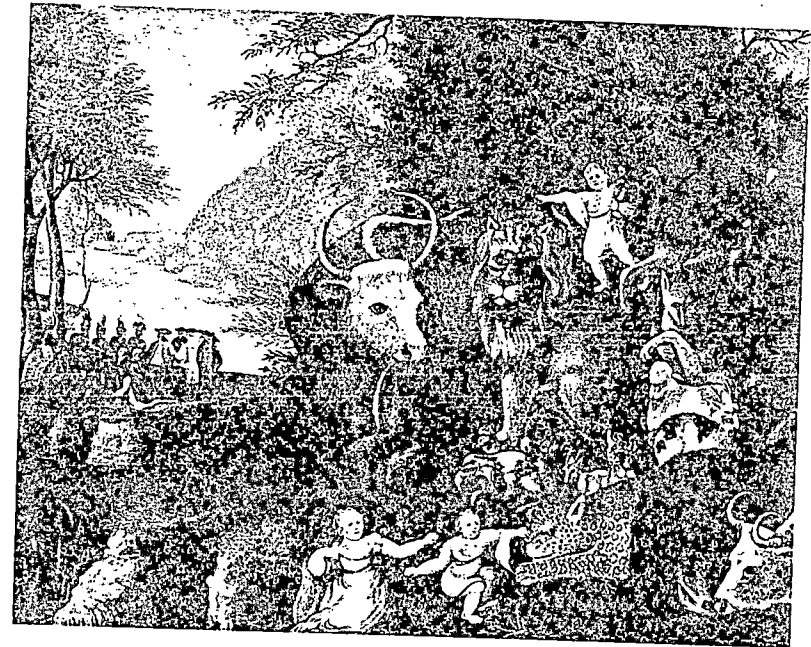
Latin America's intellectuals and artists have long been known for their leftist, even Marxist, sympathies. Few today emulate the late Chilean poet Pablo Neruda, who remained loyal to Moscow even after the horrors of the Stalin era. But Colombia's Gabriel García Márquez, Argentina's Julio Cortázar, and others have ritually denounced Washington's *imperialismo* while singing the praises of Fidel Castro. Mexico's Octavio Paz is one of the exceptions. The widely read poet-essayist and former diplomat first learned to distrust communism when he supported the anti-Franco cause in the Spanish Civil War. And it was not long after Cuba's 1959 revolution that Paz voiced disenchantment with Castro's new workers' state. Paz, a self-described democratic socialist, is no cheerleader for the *Yanquis*. Here, however, he offers them an unusual view of their place in history.

by Octavio Paz

Faced with the concrete reality of the United States, the first, natural reaction of any visitor is utter amazement.

Few have gone beyond that initial shock of surprise—admiration mingled at times with revulsion—to realize the immense originality of that country. One of those few, and the first of them, was Alexis de Tocqueville. His reflections, set down in *Democracy in America* (1835), are still as pertinent as ever. He foresaw the future greatness of the American Union and the nature of the conflict that has lain at its heart ever since its birth, a conflict to which it owes, at one and the same time, both its great successes and its great setbacks: the opposition between freedom and equality, the individual and democracy, local freedoms and federal centralism.

Henry Adams's vision, though less broad, was perhaps more profound: Deep within American society he saw an opposition between the Dynamo, which transforms the world but



Peaceable Kingdom (1834) by Edward Hicks.

reduces it to uniform series, and the Virgin, the natural and spiritual energy that irrigates and illuminates the human soul and thus produces the range and variety of our works. Tocqueville and Adams saw, clearly and sharply, what was going to happen; we, today, see what is happening.

When I speak of America's originality, I am not referring to the familiar contrasts—great wealth and extreme privation, the cheapest vulgarity and the purest beauty, greed and altruism, active pursuit of goals and the passivity of the drug addict or the frenetic violence of the drunkard, proud freedom and the docility of the herd, intellectual exactitude and the fuzzy delirium of the nut case, prudishness and license—but, rather, to the *historical novelty* that the United States represents.

Nothing in our human past has been comparable to this reality that is made up of violent clashes and glaring contrasts, and is, if I may use the expression, full of itself. Full and empty. What lies behind this tremendous variety of products and goods flaunted before the eyes of the world with a sort of shamelessness born of generosity?

A wealth that is fascinating—that is to say, deceptive.

I am not thinking of the injustices and inequalities of Amer-

ican society. Though they are many, they are fewer and less grave than our own, than those of most nations. I say "deceptive" wealth not because it is unreal but because I ask myself whether a society can live trapped within the confines of the circle of production and consumption, work and pleasure.

There are those who will say that this situation is not unique, but common, rather, to all industrial countries. That is true, but in the United States, since it is the nation that has gone the farthest along this path and is thus the perfect expression of modernity, the situation has reached its extreme limit.

I repeat my question: What lies behind this wealth? I cannot answer; I find nothing, there is nothing. I explain myself: All institutions in America—its technology, its science, its energy, its education—are a means, a *way toward*. Freedom, democracy, work, inventive genius, perseverance, fulfillment of promises and obligations: Everything is *useful*, everything a means to attain—what? Happiness in this life, salvation in the life beyond, the good, the truth, wisdom, love? Ultimate ends, those that really count because they give meaning to our lives, are not visible on the horizon of the United States. They exist, that is certain, but they appertain to the private domain.

Questions and answers as to life and its meaning, death and the life beyond, traditionally taken over by Church and State, have heretofore always been matters in the public domain. The great historical novelty of the United States lies in its attempt to return them to the private domain, the private life of each and every citizen. What the Protestant Reformation achieved in the sphere of beliefs, the American Union has achieved in the secular sphere.

American society, unlike all other societies we know of, was founded in order that its citizens might realize their private ends in peace and freedom, on the theory that the common good lies not in a collective or metahistorical end but in the harmonious coexistence of individual ends. Can nations live without common beliefs and without a metahistorical ideology?

In the past, the acts and deeds of each people were nour-

Octavio Paz, 72, is a poet, essayist, and former diplomat. Born in Mexico City, he attended the National University of Mexico. He is the author of numerous books of poetry and prose, including The Labyrinth of Solitude (1950). This essay is excerpted from One Earth, Four or Five Worlds (1985). English translation copyright © 1985 and published by Harcourt Brace Jovanovich, Inc. Copyright © 1983 by Octavio Paz. Copyright © 1983 by Editorial Seix Barral, S.A., Barcelona.

ished and justified by a metahistory; in other words, by a common end that lay above individuals and had to do with values that were, or were presumed to be, transcendent. Americans naturally share beliefs, values, and ideas: freedom, democracy, justice, work, and so on. But all such concepts are a means, something *for* this or that. The ultimate ends of their acts and thoughts lie not in the public domain but in the private. The American Union was the very first historical attempt to give back to the individual what the State had stolen from the person in the beginning.

I do not mean by that that the American State is the only liberal State: Its founding was inspired by the examples of Holland, England, and the philosophy of the 18th century. But the American nation, and not only the State, is different from others precisely because it was founded on these ideas and principles. Unlike what happened elsewhere, the United States Constitution does not modify or change a prior situation (in its case, the monarchical regime with its hereditary classes, estates, and special jurisdictions); it institutes, rather, a new society. It marks an absolute beginning.

It has frequently been said that in liberal democratic societies, especially in the United States, the power of individuals and groups, above all of capitalist enterprises but also of workers' bureaucracies and other sectors, has grown without restraint, to the point where State domination has been replaced by that of special interests. The criticism is a fair one. It must be added, however, that while this reality seriously distorts the original design, it does not nullify it altogether. The founding principle is still alive. Proof of that can be found in the fact that it continues to inspire the movements of self-criticism and reform that periodically shake the United States. All of these have represented themselves as a return to the country's origins.

The great historical originality of the American nation, and also the root of its contradiction, lies in the very act by which it was founded. The United States was founded in order that its citizens might live, among themselves and by themselves, free at last of the weight of history. It was a construct aimed against history and its disasters, oriented toward the future, that *terra incognita* with which it has identified itself.

The cult of the future fits naturally within the American design and is, so to speak, its condition and its result. American society was founded by an act of abolition of the past. Its citizens, unlike Englishmen or Japanese, Germans or Chinese,

Mexicans or Portuguese, are not the offspring of but the beginning of a tradition. Instead of carrying on a past, they inaugurate a new time. The act (and the document) of foundation—a canceling-out of the past and a beginning of something different—has been repeated throughout its history.

But the United States is not in the future, a region that does not exist; it is here and now, among all the rest of us, in the midst of history. It is an empire, and its slightest movements shake the whole world. It would like to be outside the world but it is in the world—it *is* the world. Hence the contradiction of contemporary American society: Being at once an empire and a democracy is the result of another, deeper contradiction, having been founded against history yet being itself history.

The United States has undergone a period of doubt and disorientation. If it has not lost faith in its institutions—Watergate was an admirable proof of this—it no longer believes as fervently as it once did in the destiny of the nation. The present state of mind of the American people is in all likelihood the consequence of two phenomena that used to be opposites but, as frequently happens in history, have now become conjoined. The first is the sense of guilt that the Vietnam War aroused in many minds; the second is the waning of the puritan ethic and the waxing of the hedonism of abundance.

The sense of guilt, coupled with the humiliation of defeat, has reinforced the traditional isolationism, which has always regarded American democracy as an island of virtue in the sea of perversities that is world history. Hedonism, for its part, takes no notice of the outside world or, along with it, of history. Isolationism and hedonism coincide in one respect: They are both antihistorical. Both are expressions of a conflict present in American society since the war with Mexico in 1847, but not fully apparent until this century: The United States is a democracy and at the same time an empire.

A peculiar empire, I must add, for it does not wholly fit the classic definition of one. It is something quite distinct from the Roman, Spanish, Portuguese, and British empires.

Standing bewildered in the face of its dual historical nature, the United States does not know which way to turn today. The dilemma is a fateful one. If it chooses a truly imperial destiny, it will cease to be a democracy and will thereby lose its reason for being a nation. But how to renounce power without being immediately destroyed by its rival, the Russian Empire?

It will be objected that Great Britain, too, was both a de-

mocracy and an empire. The contemporary situation is very different, however: Great Britain's imperial rule was exclusively colonial and exercised overseas; moreover, in its European and American policy it sought not hegemony but a balance of power. But the policy of the balance of powers belongs to another stage in history; neither Great Britain nor any other great European power was forced to confront a State such as the Soviet Union, whose imperialist expansion is inextricably linked to a universal orthodoxy. The Russian Bureaucratic State not only aspires to world domination but is a militant orthodoxy that does not tolerate other ideologies or systems of government.

If, instead of comparing the international situation that confronts the United States today with that prevailing in Europe during the second half of the last century, we think of Rome in the last days of the Republic, the comparison shows American democracy to be in an even more unfavorable position.

The political difficulties of the Romans of the first century B.C. were primarily internal in nature, and this partially explains the ferocity of the struggles among the various factions: Rome had already achieved domination over all the known world, and its only rival—the Parthian Empire—was a power on the defensive. Moreover, and most important, none of the powers that had fought the Romans sought to further a universalist ideology.

By contrast, the contradictions of American foreign policy—a result of the controversies among groups and parties as well as of the inability of the nation's leaders to formulate a long-term overall plan—exist side by side with an aggressive empire that embraces a universalist ideology. To make matters still worse, the Western alliance is made up of countries whose interests and politics are not always identical with those of the United States.

The expansion of the American republic has been the natural, and in some ways fatal, consequence—if I may so put it—of its economic and social development; Roman expansion grew out of the deliberate action of the senatorial oligarchy and its generals over a period of more than two centuries. The foreign policy of Rome is an outstanding example of coherence, singleness of purpose, perseverance, skill, tenacity, and prudence—precisely the virtues that we find lacking in Americans. Tocqueville was the first to see where the fault lay:

With regard to the conduct of the external affairs of society, democratic governments appear to me to be decid-

edly inferior to the others. . . . Foreign policy requires the use of almost none of the qualities that characterize democracy, and on the other hand calls for the development of almost all those which democracy lacks by its very nature. . . . Democracy would find it most difficult to coordinate all the details of a great undertaking, draw up a plan in advance, and stubbornly follow it to the end despite all obstacles. It has little aptitude for preparing its means in secret and patiently awaiting the results.

American democracy is religious in origin and extends back to the communities of Protestant dissenters who settled in the country during the 17th century. Religious preoccupations were later transformed into political ideas steeped in republicanism, democracy, and individualism, but the original religious tone never disappeared from the public conscience.

In the United States, religion, morality, and politics have been inseparable. This is the major difference between European liberalism, which is almost always secular and anticlerical, and the American variety. Among Americans, democratic ideas have a religious foundation, in some instances implicit and in others (the majority) explicit. These ideas served to justify the attempt, unique in history, to constitute a nation as a *covenant* in the face of, and even against, historical necessity or history as fate. In the United States the social contract was not a fiction but a reality, and it was entered into in order *not* to repeat European history. This is the origin of American isolationism: the attempt to establish a society that would escape the vicissitudes that European peoples had suffered. American expansion, up until the war with Mexico, was aimed at colonizing empty spaces (Indian peoples were always regarded as *nature*) and that space more empty still, the future.

If they could, Americans would lock themselves up inside their country and turn away from the world, except to trade with it and visit it. The American utopia—in which, as in all utopias, monstrous features abound—is an interweaving of three dreams: those of the ascetic, the merchant, and the explorer. Three individualists. Hence three American traits: Their reluctance to confront the outside world; their inability to understand it; and their lack of skill in manipulating it. Americans are citizens of an empire, surrounded by some nations that are allies and by others out to destroy it, yet Americans would rather be left alone: The outside world is evil, history is perdition.

America is the opposite of Russia, another religious country but one that identifies religion with the Church and finds the confusion between ideology and party legitimate. The communist State—as was quite evident during the last war—is not only the successor of the tsarist State but its continuer. The notion of a social contract or “covenant” has never held an important place within the political history of Russia, or within the tsarist or Bolshevik tradition. Nor has the idea of religion as something belonging to the sphere of heartfelt individual belief; to the Russians, religion and politics appertain not to the sphere of private conscience but to the public sphere. Americans have endeavored, and are endeavoring, to construct a world of their very own, a world outside of this world; the Russians have endeavored, and are endeavoring, to dominate this world in order to convert it.

The basic contradiction of the United States has an effect on the very foundations of the nation. Hence our reflections on the United States and its present predicament lead to the question: Will it be able to resolve the contradiction between empire and democracy? At stake are its life and its identity.

Though it is impossible to answer this question, it is possible to venture a comment.

The sense of guilt can be transformed, can lead directly to the beginnings of political salvation. Hedonism, on the other hand, leads only to surrender, ruin, defeat. It is, admittedly, true that after Vietnam and Watergate we have been witness to a sort of masochistic orgy and seen many intellectuals, clergymen, and journalists rend their garments and beat their breasts as signs of contrition. These self-accusations, as a general rule, were not and are not false, but their tone was and is frequently hysterical (as when a journalist, writing in the *New York Times*, held American policy in Indochina responsible for the subsequent atrocities committed by the Khmer Rouge and the Vietnamese).

Yet this sense of guilt, besides being a compensation that maintains a psychic equilibrium, carries moral weight: It stems from a searching conscience and the recognition that a wrong has been committed. Hence it can become a sense of responsibility, the one and only antidote against the intoxication of hubris, for individuals as for empires. On the other hand, it is more difficult to transform the hedonism of modern masses into a moral force. It is not blind illusion, however, to place our trust in the ethical and religious foundations of America: They are a living source whose flow has been obstructed but not yet en-

tirely dammed.

The foreign policy of the United States has followed a zig-zag, erratic course, frequently contradictory and at times beyond all understanding. Its principal defect, its basic inconsistency, is attributable not to the failings of American leaders, which are many, but to its being a policy more sensitive to domestic reactions than to foreign ones.

The United States' objectives are to contain the Soviet Union and its shock troops (Cuba, Vietnam), to consolidate its own alliance with Japan and the European democracies, to consolidate its ties with China, to bring about an agreement in the Middle East that will preserve the independence of Israel and at the same time strengthen friendship with Egypt, to gain friends in the Arab countries and in those of Latin America, Africa, and Asia.

These are its avowed ends, but its real ones are to win the votes and satisfy the aspirations and ambitions of this or that group at home, whether Jews or blacks, industrial workers or farmers, the "establishment" of the East or Texans. It is evident that the policy of a great power cannot be subordinated to the shifting and divergent pressures of various groups within the nation: The cause of the downfall of Athens was not so much Spartan arms as the struggles between internal parties.

Any list of the errors of American policy must end with the following reservation: These errors, magnified by the mass media and by political passions, are revealing of vices and faults inherent in plutocratic democracies, but they do not indicate an intrinsic weakness. The United States has suffered defeats and setbacks, but its economic, scientific, and technological power is still superior to that of the Soviet Union.

So is its political and social system. American institutions were designed for a society in perpetual motion, whereas Soviet institutions correspond to a static caste society. Hence any change in the Soviet Union endangers the very foundations of the regime.

There is much talk of the inferiority of the Americans in the military sphere, especially in the area of traditional weapons. This is a temporary inferiority. The United States has the material and human resources to re-establish the balance of power.

And the political will? It is difficult to give an unequivocal answer to that question. In recent years, Americans have suffered from a psychic instability that has taken them from one extreme to another. Not only have they lost their sense of direc-

tion; they have also lost control of themselves. What the United States has lacked is not power but wisdom.

Above all, the American people and its leaders lack that sixth sense that almost all great nations have had: *prudence*. Since Aristotle, this word designates the highest political virtue. Prudence is made up of wisdom and integrity, boldness and moderation, discernment and persistence in undertakings. The best and most succinct definition of *prudentia* was given recently by Cornelio Castoriadis: the ability to find one's bearings in history. This is the ability that many of us find lacking in the United States.

To Montesquieu, the decadence of the Romans had a twofold cause: the power of the army and the corruption of luxury. The first was the origin of the empire, the second its ruin. The army gave Rome dominion over the world but, along with it, irresponsible sybaritism and extravagance. Will the Americans be wiser and more temperate than the Romans; will they show greater moral fortitude? It seems most unlikely. However, there is one aspect of the situation that would have raised Montesquieu's spirits: The Americans have succeeded in defending their democratic institutions and have even broadened and perfected them.

In Rome, the army backed the despotism of the Caesars; the United States suffers from the ills and vices of freedom, not those of tyranny. Though deformed, the moral tradition of criticism that has accompanied the nation all through its history is still alive.

In the past, the United States was able to use self-criticism to resolve other conflicts. It continues to give proof of its capacities for self-renewal. During the last 20 years it has taken great strides in the direction of resolving the other great contradiction that tears it apart, the racial question. It is not beyond the bounds of possibility that by the end of this century the United States will have become the first multiracial democracy in history. Despite its grave imperfections and its vices, the American democratic system bears out the opinion of antiquity: If democracy is not the ideal government, it is the least bad.

One of the great achievements of the American people has been to preserve democracy in the face of the two great threats of our day: the powerful capitalist oligarchies and the bureaucratic State of the 20th century. Another positive sign: Americans have made great advances in the art of human cohabitation, not only in terms of different ethnic groups that live peacefully to-

gether but also in domains heretofore ruled by the taboos of traditional morality, such as sexuality. Some critics lament that permissiveness and the relaxation of morals; I confess that the other extreme strikes me as worse—the cruel puritanism of communists and the bloody prudery of Khomeini. Finally, the development of the sciences and technology is a direct consequence of the freedom of investigation and criticism predominant in the universities and cultural institutions of the United States. American superiority in these fields is no accident.

How and why, in a democracy that has proved itself to be so endlessly fertile and creative in science, technology, and the arts, should its politics be so overwhelmingly mediocre? Can the critics of democracy be right? We must grant that the will of the majority is not a synonym for wisdom: The Germans voted for Hitler, and Chamberlain was elected democratically. The democratic system is exposed to the same risk as hereditary monarchy; the popular will is no more unerring than the genes, and elections that turn out badly are as unpredictable as the birth of defective royal heirs.

The remedy lies in the system of checks and balances: the independence of judicial and legislative power, the weight of public opinion in governmental decisions through the healthy and sensible exercise of their critical function by the communications media. Unfortunately, neither the U.S. Senate nor the media nor public opinion has given signs of political *prudence* in the years just past.

The inconsistencies in American foreign policy are attributable not just to officeholders and politicians but to the entire nation. Not only do the interests of groups and parties come before collective ends, but American opinion has shown itself incapable of understanding what is happening beyond its borders. This criticism is as applicable to liberals as to conservatives, to clergymen as to labor leaders. There is no country better informed than the United States; its journalists are excellent and they are everywhere, its specialists have all the data and background facts needed for each case—yet what comes forth from this gigantic mountain of information and news is, almost always, the mouse of the fable.

An intellectual failure? No: a failure of historical vision. Because of the very nature of the endeavor that founded the nation—sheltering it from history and its horrors—Americans suffer from a congenital difficulty in understanding the outside world and orienting themselves in its labyrinths.

Another defect of American democracy, already noted by Tocqueville in his day: egalitarian tendencies, which do not suppress individual selfishness but merely deform it. These tendencies have not prevented the birth and spread of social and economic inequalities, while at the same time they have held the best back and hampered their participation in public life.

A major example is the situation of the intellectual class: Its first-rate achievements in the sciences, technology, the arts, and education stand in sharp contrast to its scant influence in politics. It is true that many intellectuals serve and have served in government, but this has almost always been as technicians and experts—that is, *in order to do* this or that, not in order to help define ends and goals. A few intellectuals have been counselors of presidents and have thus contributed to planning and executing American foreign policy. But they are isolated cases. The American intellectual class, as a social entity, does not have the influence that its counterparts in European and Latin American countries enjoy. For one thing, society is not inclined to grant this class such a role.

American intellectuals, in turn, have shown little interest in the great philosophical and political abstractions that have roused deep passions in our era. This indifference has had a positive aspect: It has kept them from going as badly astray as many European and Latin American intellectuals. It has also kept them from the despicable moral lapses and relapses of so many writers who, without so much as blinking an eye, have accepted public honors and international prizes as they hymned paeans of praise to the Stalins, the Maos, and the Castros.

American intellectuals' mistrust of ideological passions is understandable; what is not understandable is their ignoring the fact that these passions have moved several generations of European and Latin American intellectuals, among them some of the best and most generous. In order to understand these others and to understand contemporary history as well, it is necessary to understand these passions.

When the subject under discussion is the American character, the word *naïveté* almost invariably crops up. Americans themselves value *innocence* very highly. Naïveté is not a character trait that fits well with the pessimistic introspection of the puritan. Yet the two coexist within the American character. Perhaps introspection allows Americans to see themselves and discover, within their heart of hearts, the traces of God or of the devil; naïveté, in turn, is their mode of presentation of self to

others and their manner of relating to them.

Naiveté is an appearance of innocence. Or, rather, it is protective gear. Thus the apparent defenselessness of one who is naive is a psychological weapon; it preserves that person from the contamination of the other and, by isolating him or her, makes it possible to escape and launch a counterattack. The ingenuousness of American intellectuals in the face of the great ideological debates of our century has fulfilled that double function. It has kept them from falling into the moral errors and perversions into which certain Europeans and Latin Americans have fallen; and it has permitted them to judge and condemn those who have strayed from virtue—without understanding them. Both American conservatives and liberals have substituted moral judgment for historical vision. Admittedly, it is not possible to have a view of the other, that is to say a vision of history, without moral principles. But a moral perspective cannot replace true historical vision, above all if this moral perspective is that of a provincial puritanism combined with variable but strong doses of pragmatism, empiricism, and positivism.

The two missions of the modern intellectual are, first, to investigate, create, and transmit knowledge, values, and experiences; and, second, to criticize society and its usages, institutions, and politics. Since the 18th century, this second function, inherited from the medieval clerics, has assumed greater and greater importance. We are all familiar with the work of Americans in the fields of the sciences, literature, the arts, and education; they have also been honest and courageous in their criticism of their society and of its defects. America's intellectuals have been faithful to the tradition upon which their country was founded and in which the scrutiny of conscience occupies a central place.

This puritan tradition, however, by emphasizing and encouraging separation, is antihistorical and isolationist. When the United States abandons its isolation and participates in the affairs of the world, it does so in the manner of a believer in a land of infidels.

American writers and journalists have an insatiable curiosity and are extremely well informed about what goes on in today's world, but instead of understanding, they pass judgment. It must be said, in all truth, that they reserve their severest judgments for their compatriots and those in public office. That is admirable; yet at the same time it is not enough. In the days of their country's intervention in Indochina, they denounced, with good reason, the policy emanating from Washington; yet their criticism, based

almost exclusively on moral grounds, generally neglected to examine the nature of the conflict. Critics were more interested in condemning President Lyndon B. Johnson than in understanding how and why there were American troops in Indochina. Many said that this conflict "was no concern of America's," as though the United States were not a world power and the war in Indochina were a local episode.

Morality is no substitute for historical understanding. That is precisely why many liberals were so surprised at the outcome of the conflict: the installation of a military-bureaucratic dictatorship in Vietnam, the mass murders under Pol Pot, the occupation of Cambodia and Laos by Vietnamese troops, the punitive expedition by the Chinese, and, in recent days, the hostilities between Vietnam and Thailand. And today, confronted by the situation in Central America, liberals mouth the same simplistic nonsense.

Apart from the fact that it is not always sincere, the moralizing attitude does not help us to understand the reality that lies outside ourselves. Morality, in the sphere of politics, must be accompanied by other virtues. Central to all of them is historical imagination. This intellectual faculty has a counterpart in the realm of sensibility: sympathy for the other, for others.

The image presented by the United States is not reassuring. The country is disunited, repeatedly torn apart by dissensions that do not have the least element of grandeur, eaten away by doubt, undermined by a suicidal hedonism, dazed by the ranting of demagogues. It is a society divided, not so much vertically as horizontally, by the clash of tremendous selfish interests: great corporations, labor unions, "the farm bloc," bankers, ethnic groups, the powerful communications industry.

The remedy is to regain unity of purpose, without which there is no possibility for action—but how? The malady of democracies is disunity, mother of demagogism. The other road, that of political health, leads by way of soul-searching and self-criticism: a return to origins, to the foundations of the nation. In the case of the United States, this means to the vision of its founders—not to copy them, but to begin again. Not to do exactly as they did but, rather, like them, to make a new beginning. Such beginnings are at once purifications and mutations: With them something different always begins as well.

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tion. *Citizen Kane*, *The Searchers*, *L'Avventura*, *Senso*, *Ikiru*, *Tokyo Story*, *Diary of a Country Priest*, *La Grande Illusion*, *The Passion of Anna*—even young Steven Soderbergh's *sex, lies, and videotape*—show something of the range of temperaments and aspirations that realism can accommodate.

Another benefit—enforced, perhaps, but still a benefit—has been the refinement of film acting. The realism of film is much more intense than that of the theater because of the audience—not the audience as a group, but one individual viewer. The camera eye is vicar for one person. This has produced a kind of acting that often sulks in slurring vernaculars of speech and movement but that at its best can range from theatrical largeness as it fits film's needs (Vittorio De Sica in *General della Rovere*) across to sheer interiority (again, Vittorio De Sica in *General della Rovere*). In this country, even when a film as a whole has left an aching lot to be desired, performances within it have sometimes attained a beauty of their own. A few examples: Paul Newman in *The Verdict*, Dustin Hoffman and Jon Voight in *Midnight Cowboy*, Meryl Streep in *Sophie's Choice*, Jane Fonda in *Comes a Horseman*. Perceiving the limits and methods of film, these and other actors have turned intimate realism into a kind of liberation.

Films have greatly amplified a power that the theater had and, in lesser degree, still has. A personal instance.

When I was a high school senior, I took a girl named (let's say) Jean Miller to a party, a nice forthright girl who all evening long was nice, forthright Jean Miller. I took her home after the party, and at her front door I kissed her good night; and as our faces moved together, I saw Jean Miller become Joan Crawford. It was at that moment, I suppose, that I first became clear about what had been happening in my own daydreams (in which I was usually Richard Dix) and in those of many others. Within every sentient being on the face of the earth—or at any rate so many of them that the claim is tenable—films are part of his or her dreams and daydreams. This is often true of other arts; it is always true of films.

President or pope, farmer or financier, saleswoman or soprano, somewhere in each of us there is a privacy that only films have reached. This is an ecumenism more universal than most religions. No one would maintain that this power of film is entirely good; still, whatever our other allegiances, we are all citizens of that secret kingdom.

It is awesome to remember that virtually all of the events and achievements mentioned above—and mountains more that are omitted—came about within 75 years. This is an impressively long time for a vigorously opinionated journal but an impressively brief time for an art that, one way or another, has affected most of the human race.

many of his philosophical and aesthetic ideas, but my admiration is still alive and intact: in his writings, as in his life, liberty and poetry have the same fiery face, at once seductive and tempestuous. Like Chateaubriand at the other end of the spectrum, he never mistook the tyrant for the liberator.

Liberty is not a philosophy and it is not even an idea. It is a movement of consciousness that leads us, at certain moments, to utter one of two monosyllables: Yes or No. In that instantaneous brevity, which is similar to a flash of lightning, the contradictory sign of human nature is vividly limned.

Throughout history, and under the most diverse circumstances, poets have participated in political life. I do not refer to poetry as an art in the service of a state, of a church, of an ideology. We already know that this concept of poetry, as old as political and ideological power, has invariably produced the same results: states fall, churches break apart or petrify, ideologies vanish, but poetry remains.

No, I refer to the free participation of the poet in civic life. Even in societies that did not know political liberty, such as ancient China, not a few poets contributed to the administration of public affairs. Many among them did not hesitate to censure the abuses of the Son of Heaven, and many suffered imprisonment, exile, and other penalties for their opinions. In the West, this tradition has been intense; I need hardly recall the poets of Greece and Rome. Two of the greatest poets of our tradition, the Florentine Dante and the Englishman Milton, were notable political thinkers; to the first we owe the treatise *On Monarchy*, and to the second the daring arguments in favor of freedom of conscience—his celebrated defense of the right to divorce, his criticism of the censorship decreed by Parliament, which he had the courage to expound before Parliament itself.

Still, these historical precedents should not hide from us the fact that there is an essential difference between these attitudes and the situation of modern poets. The Chinese poets censured the throne, but they belonged to the imperial bureaucracy. Almost all of them were high officials, and their censure formed part of the moral and intellectual tradition of Confucianism. Dante and Milton found themselves engaged in controversies in which politics could not be distinguished from religion. For both of them, the foundation for their opinions lay in theology. They fought in this world with their eyes fixed on the next, with reasoning that came from eternity. Dante placed Brutus and Cassius, two

Poetry, myth, and revolution.

Time's Voice

BY OCTAVIO PAZ

At the dawn of the modern age, confronted by a spectacle that has been repeated many times since then—by the spectacle of the tyrant disguised as the liberator—Chateaubriand wrote these prophetic words:

The Revolution would have carried me along . . . but I saw the first head on the end of a pike, and I recoiled. I will never see an argument for liberty in murder; I

OCTAVIO PAZ is the author most recently of *Sor Juana: Or, the Traps of Faith* (Harvard University Press). A version of this essay was given as a lecture in June in Paris, where the author was awarded the Tocqueville Prize.

know of nothing more servile, more cowardly, more obtuse than a terrorist. And later, did I not find that entire race of Brutuses in the service of Caesar and his police?

Ever since my adolescence I have written poems, and I still write them. I wanted to be a poet and nothing but a poet. In my books of prose I meant to serve poetry, to justify and to defend it, to explain it to others and to myself. I soon discovered that the defense of poetry, scorned in our century, was inseparable from the defense of liberty. That is the source of my interest in the political and social questions that have shaken our time. After the Second World War, I met André Breton and his friends; I do not share



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enemies of the empire, in the last circle of Hell, at the side of the archtraitor Judas Iscariot; for him, this world was a copy of the more real, transmundane reality, and political crimes were to be judged by the divine tribunal.

In the Greek city-states, by contrast, and in the Roman Republic, the influence of religion was not so great. The questions that divided citizens were clearly political, untinged by theology. And yet our similarity to Greco-Roman antiquity is also deceptive. It lacks a central element, the distinctive sign that marks the birth of the modern age: the idea of revolution. That is an idea that could not emerge except in our time, for it is the heir of both Greece and Christianity—that is, of philosophy and the longing for redemption.

In no other historical period has the idea of revolution possessed that power of magnetic attraction. Other civilizations and other societies experienced immense changes—uprisings, the fall of dynasties, fratricidal wars—but only their great religious upheavals can be compared to our fascination with revolution. It is an idea that has hypnotized many minds and several generations for over two centuries. The North Star that guided our pilgrimages, the secret sun that illumined and warmed the sleepless nights of many solitary people, in it the certainties of reason and the hopes of religious movements have been conjoined.

From the moment it appeared on the horizon of history, revolution had a dual nature: it was reason made act and it was an act of providence—rational determination and miraculous action, history and myth. Criticism, the child of reason in its most rigorous and lucid form, is its image—at once creative and destructive, or rather, it creates as it destroys. Revolution is that moment when criticism is transformed into utopia and utopia is incarnated in a few men and in an action. The descent of reason to earth was a true epiphany. It was lived as such by its protagonists, and later by its interpreters: lived, and not thought.

For almost all of them, revolution was a consequence of certain rational postulates, or reason, and of the general evolution of society. Almost none of them suspected that they were present at a resurrection. The newness of revolution seems absolute; it breaks with the past and establishes a rational and just regime that is radically different from the old one. And yet this absolute newness is seen and experienced as a return to first beginnings.

Revolution is the return to the time of origins, before injustice, before that moment when, as Rousseau says, a man

marked out the limits of a piece of land and said, "This is mine." On that day inequality began; and with it discord and oppression, which is to say, history.

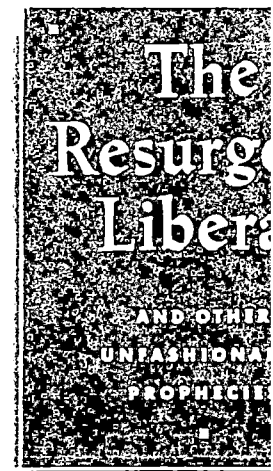
In short, revolution is an eminently historical act that negates history. The new time that it initiates is a restoration of original time. As the child of history and reason, revolution is the offspring of linear, successive, and unrepeatable time. As the child of myth, revolution is a moment in cyclical time, like the movement of the stars and the round of seasons. The nature of revolution, then, is dual. We cannot think it except by separating its two elements and discarding the mythic as a foreign body, and we cannot live it except by uniting them. We think it as a phenomenon that responds to the prognostications of reason; we live it as a mystery. The fascination of revolution lies in this enigma.

The modern age broke the ancient link that joined poetry and myth—only to immediately join poetry to revolution, to the idea that proclaimed the end of myth and thus became the central myth of modernity. The history of modern poetry, from romanticism until our day, has been nothing but the history of its relations with that myth, which is as clear and coherent as a proof in geometry, as turbulent as the revelations of ancient chaos. Inflamed, extreme relations, ranging from seduction to horror, from devotion to anathema, from idolatry to abjuration—the entire gamut of the two great passions, love and religion.

Holderlin's enthusiasm for the young Bonaparte and his disillusion at seeing him converted into the Emperor Napoleon, Wordsworth's Girondist sympathies and the horror that Robespierre inspired in him, are only two examples of the drastic fluctuations in the response of German and English romantics to the French Revolution. These violent oscillations are repeated throughout the 19th century, in response to each revolutionary movement; they culminate in the 20th century with immense, successive waves of contradictory feelings—again, from fanaticism to repulsion—that the prolonged influence of the Bolshevik Revolution inspired all over the world.

The movements of adherence awakened by all revolutions can be explained, in the first place, by the need we humans feel to correct, and to put an end to, our unfortunate condition. There are periods when this need for redemption becomes more intense and more urgent, because of the disappearance of traditional beliefs. The old gods crumble, rotted by superstition, debased by fanaticism, corroded by criticism. The tribe of

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phantoms begins to emerge among the ruins: they appear first as radiant ideas, but soon they are deified and converted into dreadful idols.

Although there are other explanations of the revolutionary phenomenon—economic, psychological, political—all of them, without being false, essentially depend on this basic fact. A faith that is born in the void left by old beliefs, that feeds on the consciousness of our misery as well as on the geometries of reason, is a tough, resistant faith. It obstinately closes its eyes to the incoherences of its doctrine and the atrocities of its leaders. In this respect, revolutionary faith resembles religious faith: neither the slaughter of September 1791, nor the butchery of Saint-Barthélemy, nor Stalin's concentration camps could shake the convictions of the faithful.

Still, there is a difference. Revolutionary beliefs are subject to the proof of time, while religious beliefs are inscribed in the next life, untouched by time and its changes. Revolutions are historical, temporal phenomena. And time's criticism is irrefutable, because it is reality's criticism: it shows without needing to demonstrate. And what it shows is that revolution begins as a promise, is squandered in violent agitation, and freezes into bloody dictatorships that are the negation of the fiery impulse that brought it into being. In all revolutionary movements the sacred time of myth is transformed inexorably into the profane time of history.

Hope is reborn after each failure. Shelley's enthusiasm refutes Coleridge's disenchantment; Heine writes *Concerning Germany* in response to Mme de Staël, to ridicule the poets of the previous generation who had initially shown sympathy for the French Revolution but who had become its enemies. The cycle of adherence-denial-adherence was repeated for more than two centuries, first in Europe, then throughout the world. And the poetic word has simultaneously been prophecy of, anathema to, and elegy for, modern revolutions.

Although the differences and contrasts between the two great revolutionary prototypes (the French Revolution of 1789 and the Russian Revolution of 1917) are greater and more profound than their similarities, the sentiments they inspired obeyed the same affective rhythm of attraction and repulsion. Despite the fact that the religious function of modern revolutions has invariably been crushed by the eminently historic nature of these movements, the result has been the rebirth of similar aspirations and chimeras in the following generation, or the adop-

tion of personal mythologies.

This is another difference between modern poetry and poetry of the past. For Dante, the key to his poem was sacred scripture, the axis of universal analogy; but Blake invents a mythology out of scraps of gnosticism and the hermetic tradition. Many poets turned to the same recourse, and I hardly need recall the beliefs of Nerval or Hugo, or, in the 20th century, the theosophy of Yeats or the occultism of Breton. The reason for this apparent paradox is that the public religion of modernity has been revolution, but its private religion has been poetry.

The criticism of revolutions has been made by those nostalgic for the old order, and by liberals (in the broad sense of the word, which denotes not so much a doctrine as a philosophical and political disposition). As opposed to the reactionary criticism of revolutions, the liberal criticism of revolutions has been effective: it has dismantled the ideological constructs, pulled away their religious mask, revealed their historic, profane nakedness. Liberalism did not propose to replace those constructs with others. It is the very nature of this intellectual tradition to be critical—and this has prevented it, unlike other great political philosophies, from proposing a metahistory. This is a domain that once belonged to religion, but liberalism offered nothing in exchange, and limited religion to the private sphere. It based liberty on the only foundation that can sustain it: on autonomy of conscience, and on the recognition of the autonomy of conscience in others.

It was admirable, and it was terrible, too: for it locked us into a solipsism, broke the bridge that connected I to thou and both of them to the third person—to the other, to the others. Between liberty and fraternity there is no contradiction, but there is a distance. It is a distance that liberalism has not been able to abolish. Robespierre and Saint-Just wanted to base solidarity among citizens on virtue. But what is the foundation of virtue? The Jacobins, like their descendants the Bolsheviks, did not ask themselves this question. Or rather: their answer was virtue by decree, which is terror. And terror can engender only two irreconcilable fraternities: the executioners and the victims.

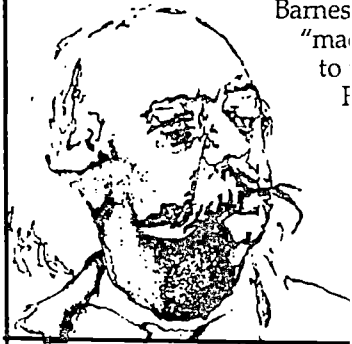
Democratic liberalism is a civilized mode of living together. In my opinion it is the best of all that political philosophy has conceived: But it leaves unanswered half of the questions that we humans ask ourselves about fraternity, about origins and final ends, about the meaning and the value of existence. The modern age has exalted individualism, and has been,

Sartre's Flau

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Translated by Carol Cos

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Poets have been particularly sensitive to this void. Baudelaire wrote in his journal, around 1851:

The world will end. . . . I'm not saying it will be reduced to the buffoonish disorder of the South American republics or that perhaps we will return to savagery. . . . No: machinery will have so Americanized us and progress will have so completely atrophied our spiritual faculties that nothing, not even the bloody chimeras of the utopians, could possibly compare to those excellent results. . . . But universal ruin (or universal progress: the name doesn't interest me) will not manifest itself in political institutions, but rather in the debasement of our souls . . .

Ninety years later, as if he were continuing Baudelaire's reflections, in one of his *Four Quartets*, Eliot sees our world, which we think is moved by progress, as the interminable fall of the void into the void:

O dark dark dark. They all go into the dark,
The vacant interstellar spaces, the vacant
into the vacant,
The captains, merchants, bankers,
eminent men of letters,
The generous patrons of art, the
statesmen and the rulers,
Distinguished civil servants, chairmen of
many committees,
Industrial lords and petty contractors, all
go into the dark,
And dark the Sun and Moon, and the
Almanach de Gotha
And the Stock Exchange Gazette, the
Directory of Directors,
And cold the sense and lost the motive of
action.
And we all go with them, into the silent
funeral,
Nobody's funeral, for there is no one to
bury.

I could adduce more texts, but the two I have cited are enough to illustrate the spiritual state of poets when confronted with the disasters of modernity. Baudelaire's reflections and Eliot's verses are a funereal counterpoint to the enthusiastic hymns of Whitman and Hugo. All of them are examples of the splitting, or the rending, of modern poetry, the mark that distinguishes it from the poetry of other times and other civilizations. Suspended between the two hands of time—between myth and history—modern poetry consecrates a fraternity that is different and older than that of religions and philosophies. It is a fraternity born of the same sense of solitude in primitive man surrounded by a strange and hostile nature. The difference is that now we live that solitude not only as we confront the cosmos, but as we confront our neighbors as well. Still, we know, each of us in our own room, that we are not really alone: fra-

ternity arches over the void.

After a long period of political stagnation, always at the edge of the precipice, always facing the specter of a total war and the threat of annihilation of the human race, we have been witness in the last 20 years to a series of changes, to portents of a new era that may be dawning. First, the myth of revolution has declined in the very place of its birth, in Western Europe; today it is recovered from the war and prosperous, with a liberal democratic regime secure in each of the countries in the Community. Then there has been a return to democracy in Latin America, although it still totters between the ghosts of populist demagoguery and militarism, its two endemic afflictions, and the iron shackles of debt are around its neck. Finally, there have been changes in the Soviet Union, in other totalitarian regimes. Whatever the scope of those reforms, they clearly signify the end of the myth of authoritarian socialism.

These changes are self-critical, tantamount to a confession. That is why I have spoken of the end of an era: we are witnessing the twilight of the idea of revolution in its last, unfortunate incarnation, the Bolshevik version. It is an idea that survives only in some regions on the periphery, and among crazed sects like the Peruvian terrorists. We do not know what the future holds for us: virulent nationalisms, ecological catastrophes, the rebirth of buried mythologies, new fanaticisms, but also discoveries and creations—history and its entourage of horrors and marvels. And we do not know if the peoples of the Soviet Union will experience new forms of oppression or an original, Slavic version of democracy. In any case, the revolutionary myth is dying. Will it revive? I don't think so. A Holy Alliance is not killing it: it is dying a natural death.

Joyce said that history is a nightmare. He was mistaken; nightmares vanish with the light of day, while history will not be over until our species ends. We are human through history and in it; if it ceased to exist, we would cease to be human. But the end of the revolutionary myth will perhaps permit us to think again about the principles that have founded our society, about their deficiencies and lacunae. Relieved at last of the struggle against totalitarian superstition, we can now reflect more freely on our tradition. And so the theme of the virtue of citizens makes its reappearance.

It is a theme that comes from classical antiquity; it concerned Machiavelli as well as Montesquieu, and today it has a painful actuality in many countries, in-

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cluding the Anglo-American democracy founded by the Puritan ethic. Kant taught that morality cannot be based on history, since history flows unceasingly, and we do not know if any law or design rules its capricious passing. We also know that metahistorical constructs—religious or metaphysical, conservative or revolutionary—strangle liberty and eventually corrupt fraternity.

The thought of the era that is beginning—if, in fact, an era is beginning—will have to find a point of convergence between liberty and fraternity. We must rethink our tradition, renovate it, and search for the reconciliation of the two great political traditions of modernity, liberalism and socialism. I will go so far as to say, paraphrasing Ortega y Gasset, that this is "the theme of our time." In some contemporary work—for example, in the work of Cornelius Castoriadis—I detect the beginning of a response.

What can be the contribution of poetry in the reconstitution of a new political thought? Not new ideas, but

something more precious and fragile: memory. In each generation, the poets rediscover the terrible antiquity, and the no less terrible youth, of passions. In the schools and the universities, where the so-called political sciences are taught, the reading of Aeschylus and Shakespeare should be obligatory. Poets nourished the thought of Hobbes and Locke, Marx and Tocqueville. Through the mouth of the poet there speaks—I emphasize *speaks*, not writes—the *other* voice, the voice of the tragic poet and the buffoon, the voice of solitary melancholy and of joy, of laughter and of sighs, the voice of the lovers' embrace and of Hamlet contemplating the skull, the voice of silence and of tumult, mad wisdom and wise madness, the intimate murmur in the bedroom and the surging crowd in the square. To hear that voice is to hear time itself, the time that passes and comes back still, transformed into a few crystalline syllables.

—Translated by Edith Grossman

Who Is Sylvia?

BY HELEN VENDLER

Bitter Fame: A Life of Sylvia Plath by Anne Stevenson

(Houghton Mifflin, 384 pp., \$19.95)

It is really a pity that Anne Stevenson, a poet, put her name to this book. Many readers will recall that the American poet Sylvia Plath (1932-63), after an initially brilliant start as a student and poet, attempted suicide while an undergraduate at Smith, was rescued, hospitalized, and given electroshock treatments, recovered, went on a Fulbright to England, married the British poet Ted Hughes, bore two children, and published ever more compelling poetry. The marriage broke up after Plath discovered her husband's infidelity, and Plath committed suicide in her London flat.

The curious dissonances in Plath's life—her often desperate journals and poems bearing witness to states of intense anguish, her public manner and her letters home keeping up an impreguably cheerful and "successful" tone—have made readers wonder about the life that lay behind the writing. There have already been two full-length biographies, a wretched one by Edward Butscher and a responsible but cursory

one by Linda Wagner-Martin. The attraction of a biography of a poet by a poet—who might enter into Plath's intellect, into her psyche, into her reading and writing, more deeply than the rest of us—made me look forward to Stevenson's book.

In the event, however, it seems not to be Stevenson's book. She has lent her name to it, but a very curious "Author's Note" suggests that she did not write it with full authority. Ted Hughes's sister, Olwyn Hughes, is the shadow author, at least of the last four chapters, which cover the bulk of Plath's married years, from 1959 to 1963. And the "Author's Note," strange enough in itself, is accompanied by a footnote that no self-respecting poet, it seems to me, could have allowed. I reprint the entire "Author's Note" and its bizarre footnote:

In writing this biography, I have received a great deal of help from Olwyn Hughes, literary agent to the Estate of Sylvia Plath. Ms. Hughes's contributions to the text have made it almost a work of dual authorship. I am particularly grateful for the work

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Que gusto me da
estar aquí (de regreso).

What pleasure it gives
me to be here (again)



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American newspaper, recalling the famous Australian penal colony, referred to the vast area in the Southwest as the "Botany Bay" of the United States. Other newcomers were foot-loose adventurers, including frontiersmen Sam Houston and Davy Crockett, (the fabulous Tennessee bear shooter and wit). Also present was James Bowie, (the reputed inventor of the murderous eighteen-inch knife popularly known as the "genuine Arkansas toothpick"). Men of this stamp would never bow their necks to what they called the "greaser [Mexican] yoke." In 1835 the restless Texan-Americans rose in revolt.

General Santa Anna, the Mexican dictator, swarmed into Texas with an overwhelming force. A band of nearly 200 Texans, determined to delay the invaders and exact a heavy toll, permitted themselves to be trapped in the Alamo, a former church converted into a fort. Their commander, Colonel William B. Travis, when called upon to yield, replied, "I shall never surrender nor retreat. . . . Victory or death!" The embattled Texas-Americans repelled some 5,000 attackers for twelve days, and then were slain to a man, including Jim Bowie and the wounded Davy Crockett. The proud Texans had reportedly written on the inner walls of their battered tomb, "Thermopylae had its messenger of defeat. The Alamo had none." (The reference was to the wiping out of the Greeks by the invading Persians, 480 B.C.) Later that month the Mexicans massacred as "pirates" about 400 Anglo-Americans who, expecting quarter, had laid down their arms at Goliad, Texas.

Pushing northeast to crush General Sam Houston's tiny Texan army, the overconfident Mexicans reportedly cried, "Exterminate to the Sabine [River]." But at San Jacinto, caught napping during their siesta hour, the invaders suffered a surprise attack by Houston's men, who shouted, "Remember the Alamo," "Remember Goliad," and "Death to Santa Anna." The invading Mexicans were completely dispersed or wiped out, and Santa Anna fell into the clutches of the vengeful Texans. He finally won release after signing, under duress, documents designed to establish an independent Texas Republic.

Cries of "Remember the Alamo," "Remember Goliad," and "Victory or death" swept up across the border. Aroused brothers, nephews, cousins, and other red-blooded Americans responded. Many of them rushed to Texas under the banner "Texas and Liberty" to serve with General Sam Houston. Without such belated assistance independence might not have been won. Popular songs in the United States were "The Death of Crockett" and "Remember the Alamo," which was to be sung, according to the printed instructions, "freely, with strong emotion." Two stanzas stood out:

Heed not the Spanish battle yell,
Let every stroke we give them tell,
And let them fall as Crockett fell.
Remember the Alamo!

until 1846, was attributed to Senator William Allen of Ohio, whose booming voice caused him to be known as "The Ohio Gong," "Earthquake Allen," and "Foghorn Allen." Covered wagons headed west flaunted on their canvas sides the boastful words "Oregon, 54°40', all or none." The craze went so far that babies were reputedly named, "Fifty-Four Forty," and the letters "P.P.P.P." stood for "Phifty-Phour Phorty or Phight."

Tough-talking Polk, with his tiny navy, was plainly trying to bluff the mighty "Mistress of the Seas," but he held a few high cards. Among them were the on-rolling covered wagons, plus "the American multiplication table," and the arrival in Oregon of "border ruffians" armed with the new-fangled "revolving pistol." All these factors made clear that in time the Americans would take possession of Oregon—and possession was still nine points of the law, especially in the West. The London government, faced with problems and pressures at home, was in a mood to compromise, and in 1846 Polk rather reluctantly accepted a rough split-the-difference adjustment along the present boundary of 49°.

Finally America got neither 54°40' nor a fight, but something better, a reasonable compromise without bloodshed. Yet die-hard "manifest destinarians" voiced discontent as protesting Congressmen raised the cry "Fifty-four forty forever." Senator Benton of Missouri assailed Polk on the floor of the Senate: "And this is the end of that great line! All gone—vanished—evaporated into thin air—and the place where it was, not to be found. Oh! mountain that was delivered of a mouse, thy name shall henceforth be fifty-four forty!"

POLK PROVOKES MEXICO

Luck was with Polk when a formal settlement of the Oregon boundary came about six weeks after fighting had broken out with Mexico. The President thus escaped the dilemma of waging a two-front, two-ocean war.

Roots of conflict between the two neighbors were complex. The Mexicans bitterly resented the Yankee annexation of Texas in 1845; they had failed to pay claims for damages to American property incurred during Mexico's internal struggles; and they had flatly refused to sell California, which Polk was eager to acquire by paying \$25 million. The smoldering Texas issue was doubly sensitive. Resentful Mexicans not only refused to acknowledge the loss of Texas to the United States but flatly rejected an ill-founded territorial claim of Texas. Texans continued to insist that their southwest boundary was not the Sabine River but the Rio Grande, about 100 miles farther south. "Uncle Sam and Mexico," a song popular in the United States, breathed defiance:

They're kickin' up gunpowderation,
About the Texas annexation.
Since Mexico makes such ado,
We'll flog her, and annex her too!

"Polk the Purposeful" w any cost. Mexico would no prize was to provoke a wa collapsed, an impatient P army to proceed from the Grande. There he built a fo war. Mexican authorities, r sion of their soil, fell upon or wounding sixteen men. I welcomed this border inci gress. In it he flatly declar shed American blood upo exists, and notwithstanding Mexico herself. . . ."

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"Polk the Purposeful" was evidently determined to have California at any cost. Mexico would not sell, and so the only way to gain the golden prize was to provoke a war and seize it. As soon as the last negotiations collapsed, an impatient Polk ordered General Zachary Taylor's small army to proceed from the Sabine River (at Corpus Christi) to the Rio Grande. There he built a fort that blockaded the river—in itself an act of war. Mexican authorities, regarding this incursion as an intolerable invasion of their soil, fell upon one of General Taylor's detachments, killing or wounding sixteen men. Polk, eager to fight for other reasons, evidently welcomed this border incident and sent a rousing war message to Congress. In it he flatly declared that Mexico "has invaded our territory and shed American blood upon the American soil." He added that "war exists, and notwithstanding all our efforts to avoid it, exists by the act of Mexico herself. . . ."

"Old Glory" had suffered insult, and a Democratic Congress overwhelmingly passed the war resolution. Even the Whig opposition, at least temporarily, lent support to Polk. The patriotic spirit infusing the land inspired a popular soldier song:

The Mexican bandits have crossed to our shore,
Our soil has been dyed with our countrymen's gore.
The murderers' triumph was theirs for a day,
Our triumph is coming, so fire, fire away!

Yet Whig voices of protest gradually grew shriller. One abolitionist Congressman, suspecting a plot to annex more slave territory, denounced the conflict as "unholy, unrighteous, and damnable." Senator Thomas Corwin, the gifted orator from Ohio, hurt his political career when he declared in a shocking speech on the eve of hostilities, "If I were a Mexican, I would tell you, 'Have you not enough room in your own country to bury your dead men? If you come into mine I will greet you with bloody hands and welcome you to hospitable graves.'"

Homespun Abraham Lincoln of Illinois entered the House of Representatives as a Whig some ten months after the war erupted. Not anticipating his own future Presidency, he embarrassed the Polk administration by introducing his "spot resolutions." They probingly sought the precise spot "upon the American soil" where American blood had first been shed. The young Illinoisan pushed these resolutions with such persistence that he came to be known as "the spotty Mr. Lincoln" and "a second Benedict Arnold." Whigs like Lincoln who opposed the war were commonly said to be "Mexican Whigs" who would die of "spotted fever." James Russell Lowell wrote in his *Biglow Papers*, in Yankee dialect:

Ez fer war, I call it murder,—
There you hev it plain an' flat;
I don't want to go no furdur
Than my Testymet fer that.

During the war antislavery men in Congress tried to pass the "Wilmot Proviso," designed to ban slavery from any territory that should be acquired from Mexico. They failed, but the Proviso did point up the issue, and it did inspire such watchwords as "No Compromise: No More Slave Territory."

MUTILATED MEXICO

Despite formidable obstacles, Polk prosecuted the war with remarkable success. Untrained volunteers sprang to the colors in response to such calls as "On to the halls of the Montezumas" and "Ho! for the halls of the Montezumas." General Zachary Taylor, affectionately known as "Old Rough and Ready" because of his informal attire, pushed across the Rio Grande into northern Mexico, capturing Monterrey on the way. At Buena Vista his force of nearly 5,000 men clashed with about 15,000 Mexicans, many of them exhausted from prolonged marching, and a bloody battle ensued.

When the foe called upon General Taylor to hoist the white flag, an aide responded, "General Taylor never surrenders"—a defiant response that soon became a campaign slogan. Possibly the less elegant response was "Tell him to go to hell." As the battle waxed hotter, "Old Zack" Taylor is supposed to have coolly remarked to an artillerist, "A little more grape [shot], Captain Bragg." When the Second Kentucky Regiment rallied, he is said to have cried, "Hurrah for Old Kentuck! That's the way to do it. Give 'em hell, damn 'em."

Badly bloodied, the Mexicans finally withdrew at Buena Vista, taking with them some captured flags and the claim that they had beaten the "gringos." But "Old Rough and Ready's" bruised army had stood its ground, and Buena Vista became the most heralded battle of the war. It made two Presidents: Zachary Taylor of the U.S.A. and Jefferson Davis of the C.S.A. (Confederate States of America). Davis, a West Pointer commanding the Tennessee Rifles, had brilliantly checked the onrushing Mexicans by marshaling his men in a "V" formation. From that day onward he seems to have suffered a fixation about the "V" and his own military genius. During the Civil War the cynical remark was heard in the South that if the Confederacy collapsed, it would "die of the V."

The most decisive campaign of the Mexican War, as well as the most brilliant, was that conducted by General Winfield Scott from Vera Cruz to Mexico City. Probably the best military mind produced in America from the Revolution to the Civil War (he served in three major wars), he proved to be a man of statesmanlike talents whose nickname imposed a severe handicap. A strict disciplinarian and conventionally uniformed, he became known as "Old Fuss and Feathers," quite in contrast to informally dressed "Old Rough and Ready" Zachary Taylor. Scott's conquest of the heart of Mexico opened the door for peace terms that ceded



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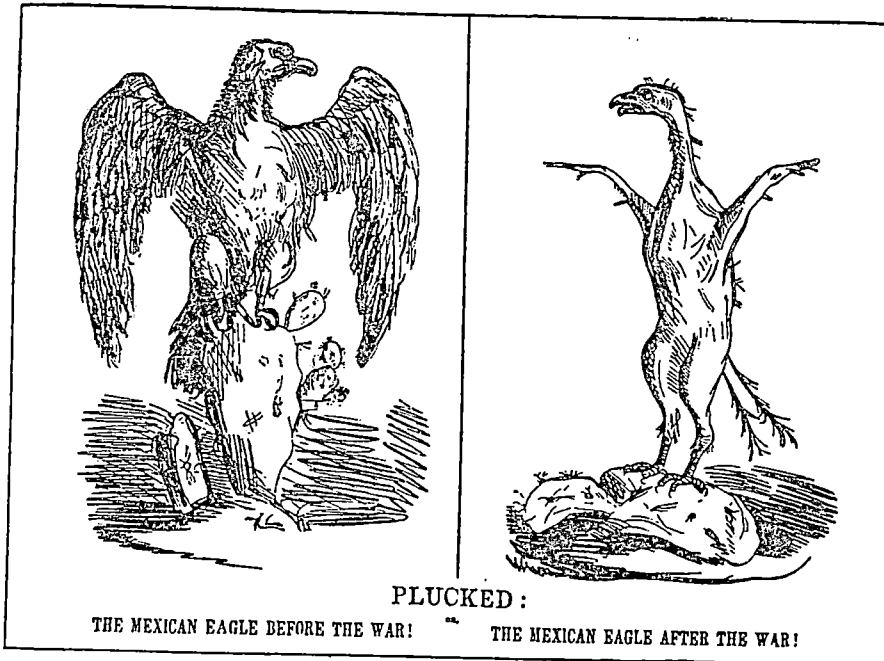
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Yankee bumptiousness in the forties. *Yankee Doodle*, 1847.

the vast Mexican cession territory to the United States. The acquisition added about one-third again to the nation's expanse.

Under the spell of "Manifest Destiny," a considerable body of American opinion vainly supported the "All of Mexico Movement." One New York newspaper cried out against turning over "this beautiful country to the custody of the ignorant cowards and profligate ruffians who have ruled it for the last twenty-five years." As events turned out, speedy ratification of the peace treaty as submitted to the Senate ended such irresponsible agitation.

GENERAL TAYLOR'S ELECTORAL TRIUMPH

Hostilities with Mexico formally ended when the peace treaty was proclaimed on the Fourth of July, 1848. By this time, with President Polk about to bow out, the electoral campaign had officially got under way. The Whigs had a ready-made candidate in General Taylor, the most exciting hero of the recent conflict. After the news of his glorious victory at Buena Vista in 1847, a boom started for him that caused one enthusiast to remark that this man on horseback would be elected by "spontaneous combustion."

"Old Rough and Ready" further caught the public eye by often wearing an old straw hat and sitting sideways on his horse, "Old Whitey," when he could have appeared in proper uniform. He was "rough" if not

their prey more effectively. Many of the escaped slaves living in the North became frantic. A mass meeting of blacks in New York City posted handbills proclaiming, "The Fugitive Slave Bill! The Panting Slave! Freemen to be Made Slaves."

Antislaveryites in general reacted angrily to the new statute, which they branded "The Bloodhound Law." "Disobedience to the act is obedience to God" was the cry arising from one Ohio mass meeting. Various Northern states passed "Personal Liberty Laws," some of which denied their jails to the "manstealers," and these restrictions greatly impeded the ugly work of the bloodhound men.

Distasteful though the epochal Compromise of 1850 was to both North and South, it definitely strengthened the ideal of union and possibly postponed the armed clash for a decade. Delay meant greater support for the concept of unity, and to this end the popular poet Longfellow contributed immeasurably with his poem "The Building of the Ship" (1849):

Sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!

GENERAL SCOTT VERSUS GENERAL PIERCE

President Taylor, still the obedience-demanding old general, disapproved of truckling to the South in the Compromise of 1850 and was fully prepared to wield the Presidential veto and to string up Southern disunionists. Fortunately for conciliation, he died unexpectedly, and Millard Fillmore, "The Accidental President" or "His Accidency," stepped into his military boots. A rather inconspicuous New York lawyer, Fillmore had come up from humble beginnings ("The Wool-Carder President"), and he carried on as a moderate Whig ("The Last of the Whigs"). In this capacity he backed the union-saving Compromise of 1850, which proved to be the outstanding domestic achievement of his curtailed administration.

The Whig nominating convention of 1852 at Baltimore, unable to agree on either Millard Fillmore or Daniel Webster, turned to "Old Fuss and Feathers," General Winfield Scott. He was venerated as a hero of the War of 1812, notably for the battles at Chippewa and Lundy's Lane on the Canadian frontier, where he was severely wounded. Voters more vividly remembered his role in the Mexican War, especially the successive and successful engagements at Vera Cruz, Cerro Gordo, Contreras, Churubusco, and Chapultepec. The Whigs had won the Presidency only with war heroes "Old Tippecanoe" Harrison and "Zack" Taylor, so they not illogically chose the remaining top-drawer military hero. Their platform frankly supported the "finality" of the controversial Compromise of 1850, including the slave-catching Fugitive Slave Act. Angered anti-

slavery Whigs in the North breathed defiance: "We accept the candidate but we spit upon the platform." The proslavery Whigs in the South—sometimes called "Finality Men"—doubted Scott's loyalty to this slave-catching commitment. In effect they accepted the platform but spat on the candidate. After Scott's seemingly inevitable defeat, the saying was circulated that the Whig party "died of an attempt to swallow the Fugitive Slave Law."

General Scott, though a brilliant military man and a skilled diplomatist, lacked an appealing public image. "Old Fuss and Feathers," his sobriquet, conjured up the true image of a man who was overweight, haughty, pompous, vain, and quarrelsome. Democrats made merry with some of his offhand but innocent remarks. Early during the Mexican War he had explained a brief absence from his office in Washington by saying that he had stepped out to take "a hasty plate of soup." As a Whig general who feared sabotage by the Democratic Polk administration, Scott reluctantly took the command at Vera Cruz, for, as he observed, "soldiers had a far greater dread of fire upon the rear than of the most formidable enemy in front." Democratic critics jeered at "a hasty plate of soup" and "fire upon the rear," which ran counter to the saying that "a good soldier never looks behind." Despite Scott's well-known anti-foreignism, he went out on the stump and stooped so low as to tell heckling crowds of Germans and Irish how much he loved "the sweet German accent" and "the rich Irish brogue."

Whigs countered sneers at the fussy general with such songs as "Old Chippewa," "The Battle of Niagara," and "The Men of Churubusco." Scott's supporters also strove to make an asset of his liabilities, especially in the song "Fuss and Feathers,"

Since Fuss and Feathers is the cry,
Let us the fuss begin,
And we will show them, by and by,
How fuss and feathers win.

Ingenious Whigs even tried to make a virtue of "hasty soup" in a tune by that name and in "Scott Soup for the Millions," the chorus of which concluded, "Our new Scott soup is just the thing." The soup bowl, like the log cabin of 1840, became a symbol of the campaign.

"Hasty soup" aside, various Whig medals advertised such solid sentiments as "Gen. Winfield Scott—First in War, First in Peace," "Scott & Graham [for Vice President], Union & Constitution," and the shopworn "United We Stand, Divided We Fall." Beneath all the personal sneers, jeers, and soupy silliness of the campaign, the nation clearly felt a deep concern for the preservation of the union.

As for their own nominee, the Democrats at Baltimore turned away from "Old Fogies" such as General Cass and finally stampeded to Franklin ("Handsome Frank") Pierce of New Hampshire, "The Young Hickory of the Granite Hills." He was the second dark-horse candidate of a major

American political party. In Congress, "The Forge of the Granite Hills," with the query "Who crats formed 'Granite Hills' their new 'Young Hickory' well under Polk. Pun: Pierce 'em in '52."

Pierce could boast rank of brigadier general. His martial laurels came to his regret, had suffered an excruciating fall off his horse. Well as the hero of "many

Brigadier General College, routing his some Frank" received who backed the Cor and also from the ex

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American political party. A lawyer who had served in both houses of Congress, "The Forgotten President" was not well known outside his native state, and the Whigs tried to jeer him back into relative obscurity with the query "Who is Frank Pierce?" Undaunted by taunts, the Democrats formed "Granite Clubs" and raised "Hickory Poles" in honor of their new "Young Hickory," the same nickname that had served them well under Polk. Punsters clumsily exulted, "We Polked 'em in '44; we'll Pierce 'em in '52."

Pierce could boast a creditable military record, for he had risen to the rank of brigadier general of the volunteers in the Mexican War. But his martial laurels came nowhere near matching those of General Scott. Pierce, to his regret, had a well-known fondness for the bottle, and he had suffered an excruciating groin injury in Mexico that caused him to fall off his horse. Whigs sneered at him as "The Fainting General" and as the hero of "many a well-fought bottle."

Brigadier General Pierce won by a handsome margin in the Electoral College, routing his former chief, Major General Winfield Scott. "Handsome Frank" received especially strong support from the "Finality Men," who backed the Compromise of 1850, especially its Fugitive Slave Act, and also from the expansionist zealots of the "Young America" movement. The nation could anticipate an aggressive proslavery foreign policy.

out infinitely better in furs, gold, fish, and oil than expected. The one-sided transaction might better be branded "Czar Alexander's folly."

By an odd coincidence, the flag of French monarchy left Mexico (and North America) the same year (1867) as the flag of Russian monarchy left Alaska (and North America). Behind the smoke screen of the Civil War, the Emperor Napoleon III had forcibly established his "archdupe," Archduke Maximilian of Austria, on the throne of Mexico in violation of the Monroe Doctrine. Two popular songs, "Maxy!" and "Get Out of Mexico," expressed American resentment in music. The latter announced:

Uncle Sam has thirty million
Loyal hearts, who want to know
If the vagrant, Maximilian,
Won't get out of Mexico.

The chorus concluded with

For the Universal Nation says,
"Get out of Mexico!"

So it was that Secretary of State Seward, backed by hundreds of thousands of veteran bayonets, gradually applied the diplomatic heat. In 1867 Napoleon III took "French leave" of his disillusioned puppet, who perished before a Mexican firing squad.

CLOSING THE BLOODY CHASM

"Waving the Bloody Shirt" continued to be a commonplace phase of the "outrage business" for several decades after the war, despite substantial progress in reconciling North and South. This stratagem was used by Republicans to combat the struggling efforts of the Democrats, especially the Southern Democrats, to regain political power. The origins of the expression are obscure, but one explanation is that a member of Congress, incensed by the murderous forays of the Ku Klux Klan, waved the bloody shirt of a badly beaten carpetbagger victim to highlight his harangue. Reactionary Republicans fought "Bourbons," as "unreconstructed" Democrats were called, especially those in the South. They were named after the famed royal family of France that allegedly could "learn nothing and forget nothing" when restored to power after the head-chopping French Revolution.

Southern "Redeemers" of the Democratic Party gradually regained control of their own state governments. The ex-Confederacy rapidly solidified as the "Solid South," and for about a half century could be confidently counted on to vote the Democratic ticket in presidential elections. Many of the diehards evidently believed that the South would "rise again," but most level-headed Southerners were persuaded that, on a military basis at least, "The Old Cause" was indeed "The Lost Cause."

tween the Bible and the dictionary and never got away from either. Following up his long training in theoretical government, he turned out to be an eminently successful practical politician. In 1908 he had written in a book, "The President is at liberty, both in law and conscience, to be as big a man as he can. His capacity will set the limit; and if Congress be overborne by him, it will be no fault of the Constitution."

Indisputably an intellectual, "The Professor in Politics" developed a degree of arrogance toward lesser intellects, particularly stupid Senators, whose "bungalow minds" made him "sick." For his own part, his powers of concentration were so highly developed, so he remarked in 1912, that "I have a single-track mind." Earlier he had written privately that his mind was "a one-track road and can run only one train of thought at a time." His sense of duty was so strong as to lead him into the paths of "moral imperialism" or "the imperialism of righteousness," notably in neighboring Mexico, where his interference seemed like "meddling and muddling."

Wilson's Cabinet presented a collection of mostly unknowns. Josephus Daniels, a North Carolina newspaper man, was chosen as Secretary of the Navy, or "managing editor of the navy," as he was called. He banned alcohol from American warships, thus earning in thirsty naval circles an unflattering sobriquet, "Joe Syphilis" Daniels. William Jennings Bryan, the uncrowned king of the party, was by tradition entitled to the premier position in the Cabinet, Secretary of State, and hence received the appointment. Wilson was not enthusiastic about the choice; he recognized Bryan's goodness of heart but thought less well of his head, which he thought lacked "a mental rudder." "The man has no brains," he had written to a friend privately in 1904. But as "Mr. Dooley" humorously remarked, Wilson would rather have Bryan "in his bosom than on his back."

Clean-living Bryan proved something of an embarrassment to Wilson. A prohibitionist, the new Secretary of State barred alcohol from official functions, and "grape-juice diplomacy" was a derisive phrase frequently heard. Some of the diplomats fortified themselves too well in advance of what they knew would be an arid affair. More bitterly criticized was an unfortunate phrase that Bryan used when he wrote to a Democratic official in 1913, "Can you let me know what positions you have at your disposal with which to reward deserving Democrats?" More than 6 million Democrats had voted for Bryan in three presidential elections, and "The Peerless Leader" had many debts to pay off. But the opposition party, which had been filling offices for many years with "resolute Republicans," jeered at this blatant exhibition of spoilsmanship by the "Prince of Job Hunters."

As an ardent champion of world peace, Bryan supplemented his income by lecturing on the Chautauqua circuit with an address entitled "Prince of Peace." Republican newspaper editors lambasted his "peace piffle" and "grape-juice guff." Yet Bryan persisted in negotiating a series

of conciliation pacts, treaties. They embodied when very angry countries have done substantial in 1914.

Bryan also worked for a better relationship between California and Japan, to bar Japanese from the United States, regarded as a wage-dishonoring Japanese Ambassador in Washington. Bryan's diplomatic reply to the Japanese Ambassador's friends. Headstrong (anyhow, but did so but barred only "aliens" including those from Japan.

Honoring his "New Deal" for the masses, President Wilson's "triple wall of protection" his message urging tariff reform appeared before Congress. Thomas Jefferson in 1801 remarked to a companion, "I think we put one over on the British."

Tariff reform—ultimate rough sledding in Congress. It contained many "tools" earlier branded as water. Lobbyists descended on Washington to block or attack it. Wilson, reverting to his old policy, turned to the sovereign people to what he had earlier done.

Wilson next tackled Congress the Federal Reserve Act, more flexible currency of the federal government. Carter Glass, a Democratic, burst out, "Damn it, do it!"

Bloated trusts provided the Federal Trade Commission. In 1914 Congress passed the Anti-Trust Act of 1914, conspicuous success, to the year 1890. Among other commodities or articles of commerce.

can Federation of Labor, hailed the act with unwarranted enthusiasm as the "Magna Carta of Labor."

WATCHFUL WAITING SOUTH OF THE BORDER

In the tricky arena of foreign affairs, Wilson shocked diplomats by a sudden and spectacular attempt to reverse the "dollar diplomacy" of Taft. He bluntly announced at the outset that he was not interested in supporting any "special group of interests." This abrupt warning in the press—a classic example of "shirt sleeves" diplomacy—served notice on Americans who invested dollars abroad. The reluctant bankers, whom Taft had induced to enter a six-power financial consortium in China, concluded that they had better withdraw—and they did.

Wilson's efforts to disentangle the nation from dollar diplomacy in Latin America proved less successful, in part because the "insurrectionary habit" brought the Marines to Haiti and Santo Domingo in 1915 and 1916 respectively. During these years Franklin D. Roosevelt was Assistant Secretary of the Navy, and he later boasted in a campaign speech in 1920, "The facts are that I wrote Haiti's constitution myself, and, if I do say it, I think it a pretty good constitution."

An imminent wedding of the waters, scheduled at Panama in 1914, caused much agitation in the United States to exempt American ships engaged in coastwise trade from paying tolls. Competing maritime nations, notably Great Britain, cried "unfair" but most Americans evidently did not agree. As the Progressive platform of 1912 made clear, "The Panama Canal, built and paid for by the American people, must be used primarily for their benefit." Wilson's Democratic platform took the same position, but an embarrassing treaty with Great Britain prohibited the United States from discriminating in its own favor. National honor was involved, and Wilson took the honorable course when he told Congress that the nation was "too big, too powerful, too self-respecting" to reread treaties in its own favor "just because we have power enough to give us leave to read them as we please." By appealing to honor and idealism alike, he induced a balky Congress, after a bitter debate, to repeal the act discriminating in favor of American shipping.

Wilson's early months were bedeviled by the revolution in Mexico, which gravely endangered American lives and investments. For dreary decades the Mexican masses had endured exploitation by the upper classes, who worked hand in glove with foreign exploiters of oil and other natural resources. As Wilson confessed in 1914, "My ideal is an orderly and righteous government in Mexico; but my passion is for the submerged eighty-five percent of the people of that republic who are now struggling toward liberty."

Such idealism in the White House was challenged by the emergence of a dictatorial strongman in Mexico, President Victoriano Huerta. He would play ball with foreign exploiters, but he had attained power by

plotting the murderment by murder," and finally succeeded in getting George Harvey, dean of the United States in Mexico?"

Plainly alluding to Mobile, Alabama, it was a perilous thing to do in the material interest." The United States will conquer."

After the Mobil called "watchful waiting" as "deadly drifting," the Mexican turmoil blood-stained hand was called "the W backward, a side street determined to allow dominated by "a Mexico." The king ranch in Mexico the *Examiner* jeered:

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An armed clash finally grew out of landing several men temporary arrest. The issued a twenty-five and punishment, in with twenty-one g ington then refuse humble themselves felt compelled by r He ordered the se about 125 Mexican on both sides.

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plotting the murder of his predecessor. Wilson, who deplored "government by murder," stubbornly refused to grant Huerta recognition, and finally succeeded in driving him into exile. A fiery Republican journalist, George Harvey, demanded, "What legal or moral right has a President of the United States to say who shall or shall not be President of Mexico?"

Plainly alluding to Mexico, Wilson delivered a memorable address at Mobile, Alabama, in the autumn of 1913. "It is," he declared, "a very perilous thing to determine the foreign policy of a nation in the terms of material interest." As evidence of his good faith, he pledged that "the United States will never again seek one additional foot of territory by conquest."

After the Mobile assurances, Wilson pursued a policy of what he called "watchful waiting," which interventionist Republicans condemned as "deadly drifting." As American citizens continued to be killed during the Mexican turmoil, bellicose Theodore Roosevelt cried, "He kissed the blood-stained hand that slapped his face." A dance step then popular was called "the Wilson tango." It consisted of one step forward, two backward, a side step, and then a moment of hesitation. Yet Wilson was determined to allow the Mexicans to have their revolution and not be dominated by "a small group of Americans with vested interests in Mexico." The king of yellow journalism, William R. Hearst, owned a ranch in Mexico that was larger than Rhode Island, and his San Francisco *Examiner* jeered:

Oh, say, can you see by the dawn's early light
Any possible way of avoiding a fight?
The Star-Spangled Banner, oh, long may it flap,
While we're kicked by the Greaser and slapped by the Jap.

An armed clash between Mexico and "The Colossus of the North" finally grew out of a trivial incident at Tampico. A U.S. Navy boat, after landing several men routinely, was seized, and the crew suffered temporary arrest. The commanding American admiral, Henry T. Mayo, issued a twenty-four-hour ultimatum demanding disavowal, apology, and punishment, in addition to hoisting an American flag and saluting it with twenty-one guns. All this he required of a government that Washington then refused to recognize. When the Mexican officials refused to humble themselves to this degree over a slight misunderstanding, Wilson felt compelled by national honor to back the admiral's arbitrary demands. He ordered the seizure of Vera Cruz, at the cost of 19 Americans and about 125 Mexicans, not counting the wounded combatants and civilians on both sides.

As a full-fledged war with Mexico threatened, Wilson was taken off the hook by a mediation offer from the "A.B.C." powers, Argentina, Brazil, and Chile. The subsequent conference at Niagara Falls gave birth to a plan that the Mexican regime rejected, but in the aftermath

the "unspeakable" Huerta, bending to Wilsonian pressures, went into voluntary exile in the summer of 1914. Wilson's "watchful waiting" was successful at least to the extent of avoiding a full-scale war. A contemporary campaign button read, "Watchful Waiting Wins."

Chaos unhappily continued under Huerta's successor, Venustiano Carranza. A foremost rival for his power was Pancho Villa, a combination of bandit and Robin Hood. Showing his contempt for both the Mexican government and Wilson, he invaded and shot up the town of Columbus, New Mexico, killing eighteen citizens of the United States. At last "American blood," to use President Polk's language of 1846, had been shed on indisputably "American soil."

Neither "watchful waiting" nor even "wrathful waiting" could endure longer in the face of the outburst of American indignation. Wilson ordered General John J. ("Black Jack") Pershing to pursue and break up the bandit band. President Carranza of Mexico acquiesced with great reluctance after receiving face-saving assurances of reciprocal privileges. The "perishing expedition," as it was dubbed, penetrated deep into Mexico with surprising speed, but failed to catch Villa. A frustrated Wilson withdrew the invading force early in 1917, on the eve of a vastly larger war with Germany. The Mexicans were left free to complete their revolution without hindrance from Wilson's "imperialism of righteousness."

* Earlier known as "Nigger Jack," Pershing had served as an officer with the crack Negro Tenth U.S. Cavalry.

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Germany was bound to ancient treaty of 1839, also But "necessity knows no its solemn obligation, there a burning issue of the wa presence opposite their co Belgium, Serbia, and Russia to the neutrality treaty o

In the mid-1920s the fear of another world-shattering conflict caused a tide of public opinion to well up in America in favor of a scheme known as "the outlawry of war"—that is, declaring war illegal by "outlawing" it. An international treaty, known as the Pact of Paris or the Kellogg-Briand Pact (after the American and French negotiators), emerged in 1928. Ultimately it won ratification by sixty-two nations, including all the major powers. As might have been anticipated, the outlawry of war proved to be about as ineffective as the concurrent outlawry of alcohol. One Senator scoffed at this "international kiss." The gaping loophole was that a nation could always legally fight in self-defense; and what scheming dictator was there who could not claim that he was in danger of attack?

Elsewhere in the global theater, Coolidge achieved a modest success. To protect American lives and property, Yankee troops had landed on the shores of the banana republics of the Caribbean under Democratic and Republican Presidents alike. In 1927, reacting to disorders spawned by civil disturbances, Coolidge was waging a "private war" in Nicaragua against the rebel "bandits (patriots?)" with some 5,000 U.S. troops. Reacting to harsh criticism, he insisted, "We are not making war on Nicaragua any more than a policeman on the street is making war on passersby." Tension eased after Coolidge sent Colonel Henry L. Stimson (later Secretary of State and Secretary of War) to arrange for a special election under American supervision.

Strained relations with Mexico were nearing the breaking point in 1927 over the seizure of American-owned properties, chiefly in oil. Coolidge had the happy inspiration to send to this troubled land as Ambassador an Amherst College classmate, Dwight Morrow. He in turn invited "Lucky Lindy" Lindbergh and his airplane for a goodwill tour. This new "Ambassador of the Air" combined with the Ambassador of the United States to elevate relations with Mexico to a more favorable plateau. The episode received acclaim as one of the earliest phases of "Good Neighborism" or the so-called "Good Neighbor Policy" so widely acclaimed in the days of Franklin D. Roosevelt.

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Nomination of George F. Murphy, Jr., To Be Inspector General of the United States Information Agency June 27, 1990

The President today announced his intention to nominate George F. Murphy, Jr., to be Inspector General of the U.S. Information Agency. He would succeed Anthony J. Gabriel.

Since 1988 Mr. Murphy has served as Deputy Director for the U.S. Arms Control and Disarmament Agency in Washington, DC. Prior to this, he served as a consultant to the nuclear industry, 1986–1987; director of the Senate National Security Office, 1977–1986; executive director of the Joint Committee on Atomic Energy, 1975–1977; deputy director of the Joint Committee on Atomic Energy, 1968–1975; and a professional staff member on the Joint Committee on Atomic Energy, 1958–1968. In addition, Mr. Murphy worked for the Central Intelligence Agency, 1950–1958.

Mr. Murphy graduated from Harvard College (A.B., 1949). He was born May 1, 1924, in Boston, MA. Mr. Murphy served in the U.S. Army Air Corps, 1942–1946. He is married, has two children, and resides in Bethesda, MD.

Statement on Signing a Bill Protecting Natural and Cultural Resources in New Mexico

June 27, 1990

I take great pleasure in signing into law S. 286, an Act to establish the Petroglyph National Monument and the Pecos National Historical Park in New Mexico, and to resolve various New Mexico land issues.

West of Albuquerque, New Mexico, the major landscape feature is the West Mesa, marked by a 17-mile long basalt escarpment and five volcanic cones. Within the area are an estimated 15,000 to 17,000 petroglyphs, which are designs carved or pecked into the rock. Establishment of the Petroglyph National Monument will provide an excellent opportunity to form a strong partnership among the Federal Government, the State of New Mexico, and the City of Albu-

querque to ensure the protection of seriously threatened ancient Pueblo Indian and Spanish rock art. Cost sharing will be an important component of the success of this joint effort, and I look forward to a successful partnership.

S. 286 also will expand the existing 365-acre Pecos National Monument into the 5,865-acre Pecos National Historical Park. This will allow for expanded protection and recreation programs in an area rich in cultural resources.

I wholeheartedly support the measures contained in S. 286 because they will ensure the protection of rich natural and cultural resources within the State of New Mexico that are now seriously threatened.

George Bush

The White House,
June 27, 1990.

Note: S. 286, approved June 27, was assigned Public Law No. 101-313.

Remarks Announcing the Enterprise for the Americas Initiative

June 27, 1990

Thank you all very much for coming to the White House, and it is my pleasure to welcome so many distinguished guests with such strong interests in the vital Latin American and Caribbean region. Let me recognize the many members of the diplomatic corps that are here and extend to you a warm welcome—from Latin America, particularly, and the Caribbean, Europe, Japan. Members of our Cabinet—Nick Brady and Secretary Baker, Carla Hills, Secretary Mosbacher—delighted you're here. Chairman of the Council of Economic Advisers, Mike Boskin, is here. Bill Webster, welcome. And of course, we're delighted to see Alan Greenspan, Chairman of the Federal Reserve Board, here and then an old friend, Barber Conable, of the World Bank, and Richard Erb, from the IMF. And Ricky Iglesias, an old friend of the Bushes, and we welcome him, of the IDB, and so many leading lights in the business and financial

communities. To all of you, then, a welcome.

In the past 12 months, every one of us, from the man in the White House to the man on the street, has been fascinated by the tremendous changes, the positive changes, taking place around the world. Freedom has made great gains not just in Eastern Europe but right here in the Americas; and we've seen a resurgence of democratic rule, a rising tide of democracy, never before witnessed in the history of this beloved hemisphere. And with one exception, Cuba, the transition to democracy is moving towards completion, and we can all sense the excitement that the day is not far off when Cuba joins the ranks of world democracies and makes the Americas fully free.

With one exception, that's the case. But the political transformation sweeping the rest of Latin America and the Caribbean has its parallel in the economic sphere. Throughout the region, nations are turning away from the statist economic policies that stifle growth and are now looking to the power of the free market to help this hemisphere realize its untapped potential for progress. A new leadership has emerged, backed by the strength of the people's mandate, leadership that understands that the future of Latin America lies with free government and free markets. In the words of Colombia's courageous leader, Virgilio Barco—President Barco: "The long-running match between Karl Marx and Adam Smith is finally coming to an end" with the "recognition that open economies with access to markets can lead to social progress."

For the United States, these are welcome developments, developments that we're eager to support. But we recognize that each nation in the region must make its own choices. There is no blueprint, no one-size-fits-all approach, to reform. The primary responsibility for achieving economic growth lies with each individual country. Our challenge in this country is to respond in ways that support the positive changes now taking place in the hemisphere. We must forge a genuine partnership for free-market reform.

Back in February, I met in Cartagena [Colombia] with heads of the three Andean nations, and I came away from that meet-

ing convinced that the U.S. must review its approach not only to that region but to Latin America and the Caribbean as a whole. And I asked Treasury Secretary Brady to lead a review of U.S. economic policy towards this vital region, to make a fresh assessment, if you will, of the problems and opportunities we'll encounter in the decade ahead. And that review is now complete, and the results are in, and the need for new economic initiatives is clear and compelling.

All signs point to the fact that we must shift the focus of our economic interaction towards a new economic partnership because prosperity in our hemisphere depends on trade, not aid. And I've asked you here today to share with you some of the ideas, some of the ways we can build a broad-based partnership for the nineties—to announce the new Enterprise for the Americas Initiative that creates incentives to reinforce Latin America's growing recognition that free-market reform is the key to sustained growth and political stability.

The three pillars of our new initiative are trade, investment, and debt. To expand trade, I propose that we begin the process of creating a hemispherewide free trade zone; to increase investment, that we adopt measures to create a new flow of capital into the region; and to further ease the burden of debt, a new approach to debt in the region with important benefits for our environment.

Let's begin with trade. In the 1980's, trade within our hemisphere trailed the overall pace of growth in world trade. One principal reason for that: overrestrictive trade barriers that wall off the economies of our region from each other and from the United States at great cost to us all. These barriers are the legacy of the misguided notion that a nation's economy needs protection in order to thrive. The great economic lesson of this century is that protectionism still stifles progress and free markets breed prosperity. To this end, we've formulated a three-point trade plan to encourage the emerging trend toward free market reform that are now gathering forces in the Americas.

First, as we enter the final months of the current Uruguay round of the world trade

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talks, I pledge close cooperation with the nations of this hemisphere. The successful completion of the Uruguay round remains the most effective way of promoting long-term trade growth in Latin America and the increased integration of Latin nations into the overall global trading system. Our aim in the Uruguay round is free and fair trade, and through these talks we are seeking to strengthen existing trade rules and to expand them to areas that do not now have agreed rules of fairplay. And to show our commitment to our neighbors in Latin America and the Caribbean, we will seek deeper tariff reductions in this round on products of special interest to them.

Second, we must build on the trend we see toward free markets and make our ultimate aim a free trade system that links all of the Americas: North, Central, and South. And we look forward to the day when not only are the Americas the first fully free, democratic hemisphere but when all are equal partners in a free trade zone stretching from the port of Anchorage to the Tierra del Fuego.

I'm announcing today that the U.S. stands ready to enter into free trade agreements with other markets in Latin America and the Caribbean, particularly with groups of countries that have associated for purposes of trade liberalization. And the first step in this process is the now-announced free trade agreement with Mexico. We must all recognize that we won't bring down barriers to free trade overnight; changes so far-reaching may take years of preparation and tough negotiations. But the payoff in terms of prosperity is worth every effort, and now is the time to make a comprehensive free trade zone for the Americas our long-term goal.

And third, I understand that some countries aren't yet ready to take that dramatic step to a full free trade agreement. And that's why we're prepared to negotiate with any interested nation in the region bilateral framework agreements to open markets and develop closer trade ties. Such agreements already exist with Mexico and Bolivia. Framework agreements will enable us to move forward on a step-by-step basis to eliminate counterproductive barriers to trade and towards our ultimate goal of free trade. And that's a prescription for greater

growth and a higher standard of living in Latin America and, right here at home, new markets for American products and more jobs for American workers.

Promoting free trade is just one of three key elements in our new Enterprise for the Americas Initiative. And our second pillar is increased investment.

The competition for capital today is fierce, and the key to increased investment is to be competitive, to turn around the conditions that have discouraged both foreign and domestic investment—reduce the regulatory burden, clear away the thicket of bureaucratic barriers that choke off Latin America's aspiring entrepreneurs.

In one large Latin city, for instance, it takes almost 300 days to cut through the redtape to open a small garment shop. In another country, the average overseas caller has to make five phone calls to get through, and the wait for a new telephone line can be as long as 5 years. And that's got to change.

Investment reform is essential to make it easier to start new business ventures and make it possible for international investors to participate and profit in Latin American markets. In order to create incentives for investment reform, the United States is prepared to take the following steps:

First, the United States will work with the Inter-American Development Bank to create a new lending program for nations that take significant steps to remove impediments to international investment. The World Bank could also contribute to this effort.

And second, we propose the creation of a new investment fund for the Americas. This fund, administered by the IDB, could provide up to \$300 million a year in grants in response to market-oriented investment reforms in progress in privatization. The U.S. intends to contribute \$100 million to the fund, and we will seek matching contributions from Europe and Japan.

But in order to create an attractive climate for new investment, we must build on our successful efforts to ease the debt burden. That's the third pillar of this new Enterprise for the Americas Initiative.

Many nations have already undertaken painful economic reforms for the sake of

future growth, but the investment climate remains clouded, weighted down by the heavy debt burden. Under the Brady plan, we are making significant progress. The agreements reached with Mexico and Costa Rica and Venezuela are already having a positive impact on investment in those countries. Mexico, to take just one example, has already seen a reversal of the destructive capital flight that drained so many Latin American nations of precious investment resources. That's critical. If we restore confidence, capital will follow.

As one means of expanding our debt strategy, we propose that the IDB add its efforts and resources to those of the International Monetary Fund and the World Bank to support commercial bank debt reduction in Latin America and the Caribbean, and as in the case of World Bank and IMF, IDB funds should be directly linked to economic reform.

While the Brady plan has helped nations reduce commercial bank debt, for nations with high levels of official debt—debt owed to governments rather than private financial institutions—the burden remains heavy. And today, across Latin America, official debt owed to the U.S. Government amounts to nearly \$12 billion, with \$7 billion of that amount in concessional loans. And in many cases, the heaviest official debt burdens fall on some of the region's smallest nations, countries like Honduras and El Salvador and Jamaica.

That's a problem we must address today. As the key component in addressing the region's debt problem, I am proposing a major new initiative to reduce Latin America and the Caribbean's official debt to the United States for countries that adopt strong economic and investment reform programs with the support of international institutions.

Our debt reduction program will deal separately with concessional and commercial types of loans. On the concessional debt, loans made from AID or Food for Peace accounts, we will propose substantial debt reductions for the most heavily burdened countries. And we will also sell a portion of outstanding commercial loans to facilitate these debt-for-equity and debt-for-

nature swaps in countries that have set up such programs. These actions will be taken on a case-by-case basis.

One measure of prosperity and the most important long-term investment any nation can make is environmental well-being. As part of our Enterprise for the Americas Initiative, we will take action to strengthen environmental policies in this hemisphere. Debt-for-nature swaps are one example, patterned after the innovative agreements reached by some Latin American nations and their commercial creditors. We will also call for the creation of environmental trusts, where interest payments owed on restructured U.S. debt will be paid in local currency and set aside to fund environmental projects in the debtor countries.

These innovative agreements offer a powerful new tool for preserving the natural wonders of this hemisphere that we share. From the vistas of the unspoiled Arctic to the beauties of the barrier reef off Belize to the rich rain forests of the Amazon, we must protect this living legacy that we hold in trust. For an increasing number of our neighbors, the need for free-market reform is clear. These nations need economic breathing room to enact bold reforms, and this official debt initiative is one answer, a way out from under the crushing burden of debt that slows the process of reform.

I know there is some concern that the revolutionary changes we've witnessed this past year in Eastern Europe will shift our attention away from Latin America; but I want to assure all of you here today, as I've assured many democratic leaders in Central and South America and the Caribbean and Mexico, the United States will not lose sight of the tremendous challenges and opportunities right here in our own hemisphere. And indeed, as we talk with the leaders of the G-24 about the emerging democracies in Europe—I've been talking to them also about their supporting democracy and economic freedom in Central America. Our aim is a closer partnership between the Americas and our friends in Europe and in Asia.

Two years from now, our hemisphere will celebrate the 500th anniversary of an epic event: Columbus' discovery of America, our

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New World. And we trace our origins, our shared history, to the time of Columbus' voyage and the courageous quest for the advancement of man. Today the bonds of our common heritage are strengthened by the love of freedom and a common commitment to democracy. Our challenge, the challenge in this new era of the Americas, is to secure this shared dream and all its fruits for all the people of the Americas—North, Central, and South.

The comprehensive plan that I've just outlined is proof positive the United States is serious about forging a new partnership with our Latin American and Caribbean neighbors. We're ready to play a constructive role at this critical time to make ours the first fully free hemisphere in all of history. Thank you all for coming and God bless the peoples of the Americas. Thank you very, very much, indeed.

Note: The President spoke at 2:48 p.m. in the East Room at the White House. In his opening remarks, he referred to Secretary of the Treasury Nicholas F. Brady; U.S. Trade Representative Carla A. Hills; Secretary of Commerce Robert A. Mosbacher; William H. Webster, Director of Central Intelligence; Barber B. Conable, Jr., President of the World Bank, which is also known as the International Bank for Reconstruction and Development; and Richard D. Erb, Deputy Managing Director of the International Monetary Fund. The President also referred to the Group of 24, the industrialized democracies that have pledged support for economic and political reform in Poland and Hungary.

Message to the Congress Reporting Budget Rescissions June 28, 1990

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report eight proposed rescissions totalling \$327,375,000.

The proposed rescissions affect programs of the Department of Defense. The details

of the proposed rescissions are contained in the attached report.

George Bush

The White House,
June 28, 1990.

Note: The attachment detailing the proposed rescissions was printed in the "Federal Register" of July 6.

Statement on the Japan-United States Trade Negotiations June 28, 1990

Last year the United States and Japan launched a new cooperative endeavor in economic policy called the Structural Impediments Initiative. This initiative is designed to address underlying structural problems in both of our economies with the goal of contributing to more open and competitive markets and to the reduction of payments imbalances. A joint working group was formed to identify and solve these problems. Over the past year, these discussions have demonstrated the constructive and cooperative spirit which characterizes the relationship between our two countries.

The joint report of the SII working group has just been issued in Tokyo, following up an interim report issued in April. I welcome and endorse this joint report. Both countries have identified structural impediments, taken initial corrective actions, and made commitments to take further steps to resolve a wide range of structural problems. We expect that the structural policy actions to be taken will have a positive effect on our economies, encouraging open and competitive markets, promoting sustained world economic growth, contributing to a reduction in global payments imbalances, and enhancing the quality of life in both Japan and the United States. Although our efforts on SII are bilateral, the effects will be beneficial for the entire world.

I particularly welcome the clear commitment by Japan to reduce further its current account surplus and view the SII process as

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory
acknowledgements. *DAVID ROCKEFELLER (Ch.) Ambassador London. Pres*
~~President~~ and Chairman of Council of the
Americas.] *BERNARD ARONSON -- our very able A. Sec. for Inter-American Affairs.*
[Admin. Members, State officials.]

I am pleased once again to speak to this influential group -
- pioneers in the private-sector effort to expand trade and
investment between the U.S. and Latin America. And I'm delighted
to address this gathering after what has been a remarkable year
of change.

Over the past twelve months, it has sometimes seemed that
the eyes of the world rest solely on Eastern Europe -- on the
miraculous transformation that has taken place there. Our
friends in Latin America have watched these historic events
unfold, with inspiration and awe. But also, I know, with an
unmistakable **sense of anxiety** -- concern that our active
involvement in Europe will mean **a decline in U.S. interest in**
Latin America.

I am here today to assure you -- just as I've assured the
many Latin American leaders I've met with -- that the events of
the past year have increased U.S. interest in this region --

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to ~~the~~ ^{what he calls the "informal sector" i.e. the} ~~illegal, shadow economy~~ -- ~~run by~~ ^{thousands of independent business} enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico, ^{Costa Rica,} and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- ~~there is hope~~ ^{that} these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: *Poser* → Last year, the ~~Columbian~~^{Columbian} economy grew ~~3~~⁴ percent. U.S. exports to ~~Columbia~~^{Columbia} rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

Now, let's take a fresh look at a familiar statistic. We *Poser* all know total Latin debt ^{IS ABOUT} ~~exceeds~~ \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: *suppose* by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to ~~restructure their debt~~ ^{restructure} -- ways that complement their efforts to restructure their economies along free-market lines. *suppose*

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear *about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua.*

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a ^{letter} ~~note~~ from President Chamorro -- just three weeks into her term in office, ~~dealing with a crippling strike staged by pro-Sandinista unions~~ -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

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