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SHOTS

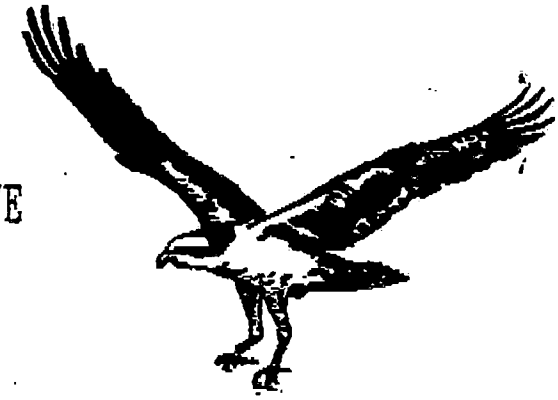
gamma globulin
tetanus
polio (adult)
yellow fever

check passport
— Aug. 6

FAX TRANSMITTAL

USDA/OICD - AID/LAC/DR/E

FAX # (202) 647-8098



DATE: August 2, 1990

TO: Carolyn Cawley

ORGANIZATION: White House - Speech Writing Office

TELEPHONE NUMBER OF RECIPIENT: 456-7750

FAX NUMBER SENT TO: 456-6218

FROM: LAC/DR/E, JAMES HESTER

TELEPHONE: (202)-647-8093

NUMBER OF PAGES SENT INCLUDING THIS COVER SHEET: _____

MESSAGE: Carolyn, As requested, here is an unofficial summary of the new A.I.D. global climate change program in Brazil. Let me know if you need more info, please call.

Jim Hester

Chief

Environment, Energy and Science Staff

Bureau for Latin America and the Caribbean

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

FY 1990 Global Climate Change Activities in Brazil

	($000)
Latin America and Caribbean Bureau (LAC) Funded Activities:	
Environment/Global Climate Change Program (598-0784) funds:	
1) U. of Florida grant: Agroforestry/Sustainable Forest promotion for Small Producers in the State of Acre	295
2) Energy Efficiency Institute development	200
3) Natural Resource Economics Workshop	100
4) Development of Program Monitoring & Evaluation Plan	25
5) World Wildlife Fund grant: a. Environmental Impact Assessment process in Acre b. Amapa Extractive Reserve c. Fundacao Vitoria Amazonica: ecotourism/education d. Local NGO strengthening for influencing policy e. Federal Environment Secretariat planning and policy	425
6) Program Implementation Support for A.I.D./Brazil	
a. Planning Specialist (2 year contract)	100
b. Secretarial Support (1 year contract)	25
Project Development and Support (598-0000) funds:	
7) Program design	30
Environmental Support Project (598-0780) funds:	
8) Global Climate Change Advisor (stationed in Brazil)	110
LAC Subtotal	$1,310
Science and Technology Bureau (S&T) Funded Activities:	
9) Activities through World Wildlife Fund: a. Policy analysis and action grants through the Center for Sustainable Development of the Amazon b. Forestry Demonstration Projects with CPATU	350
10 Smithsonian/INPA: Biological Dynamics of Forest Fragment Project -- enhanced outreach and training	107
11) Woods Hole Research Center: Restoring Agricultural Productivity on Degraded Amazonian Lands	94
12) Energy Efficiency Institute development	250
S&T Subtotal*	801
A.I.D. Grand Total	$2,111

*S&T is considering an additional $50-60 thousand worth of activities

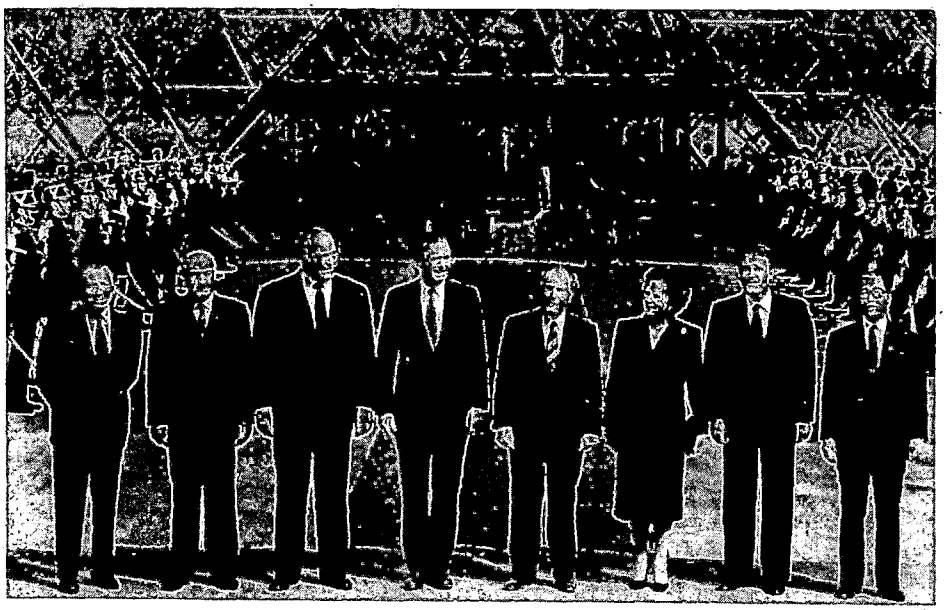
Economic Summits, 1981–89

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Public
Information
Series

May 1990

Leaders of seven industrial countries—the United States, Japan, the Federal Republic of Germany, France, the United Kingdom, Italy, and Canada—plus the President of the European Community Commission have discussed and made decisions on a wide range of international economic and political issues at economic summit meetings that have been held annually since 1975. The following information provides background on each of the last nine summits.



Participants in the July 1989 Paris economic summit from left to right: Jacques Delors, President of the European Community Commission; Prime Minister Ciriaco De Mita (Italy); Chancellor Helmut Kohl (FRG); President Bush; President Francois Mitterrand (France); Prime Minister Margaret Thatcher (UK); Prime Minister Brian Mulroney (Canada); and Prime Minister Sosuke Uno (Japan). (White House photo by Susan Biddle)

Paris, July 14–16, 1989

Summary

The Paris summit marked the celebration of the 200th anniversary of the French Revolution and the Declaration of the Rights of Man. It also was the first economic summit meeting for President Bush, who had just returned from trips to Poland and Hungary. These developments reinforced for the summit leaders the importance of supporting political and economic reform in Eastern Europe. The leaders also expressed strong concern about environmental and narcotics issues; at least one-third of the economic declaration dealt with the environment.

Economic Accomplishments

• Agreement on several multilateral trade issues, including a pledge to make effective use of the GATT (General Agreement on Tariffs and Trade) dispute settlement mechanism, to avoid new restrictive trade measures inconsistent with the GATT, and to make further substantial progress in the Uruguay Round in order to complete it by the end of 1990.

• Commitment to a strengthened debt strategy that will rely, on a case-by-case basis, on such actions as economic reforms by developing countries, more resources by a financially stronger World Bank and the International Monetary Fund (IMF), continued debt rescheduling by creditor governments, and more voluntary, market-based debt reductions by commercial banks.

• Continued cooperation in foreign exchange markets.

• Support for ending as soon as possible and not later than the end of the century the production and consumption of chlorofluorocarbons covered by the Montreal Protocol on Substances that Deplete the Ozone Layer.

• Commitment to limit the emissions of carbon dioxide and other greenhouse gases as well as conclusion of an international framework convention on global climate change.

• Support for the preservation of tropical forests and condemnation of the practice of dumping waste in the oceans.

Political Accomplishments

• Call for a meeting of all interested parties to discuss concerted assistance to Poland and Hungary and a request that the European Community coordinate these efforts.

• Support for effective programs to stop illegal drug production and trafficking, including assistance to the antidrug efforts of producing countries and the United Nations, increased international cooperation to seize drug proceeds and prevent money laundering, and support for a 1990 international conference on cocaine and drug demand reduction.

• Continued strong condemnation of international terrorism by states, including hostage taking and attacks against international civil aviation.

• Condemnation of political repression in China and agreement to suspend the shipment of arms and the extension of loans to China.

Toronto, June 19–21, 1988

Summary

The summit, one of the most harmonious of the 1980s, marked the end of the second 7-year cycle of economic meetings. The leaders expressed satisfaction at their accomplishments in bringing down inflation in the 1980s and laying the basis for sustained strong growth and improved productivity. Among still unresolved problems they noted the emergence of large payments imbalances among major countries, greater exchange rate volatility, and continuing debt service difficulty in developing countries. In response to these developments, the leaders made further refinements in the multilateral surveillance system to improve the coordination of their economic policies. They also committed themselves to further trade liberalization at the Uruguay Round and offered new initiatives to relieve the debt burden of the poorest developing countries.

Economic Accomplishments

• Improvement of the multilateral surveillance system by adding a commodity price indicator to the existing indicators monitored by the seven nations, and by integrating national structural policies into the economic coordination process.

• Support for efforts at the Uruguay Round to achieve trade liberalization in all areas including trade in services, intellectual property rights (such as copyrights and trademarks), and trade-related investment measures, to strengthen the GATT's surveillance and enforcement mechanism, and to reduce all direct and indirect subsidies affecting agricultural trade.

• Support for a $75 billion general capital increase for the World Bank to strengthen its capacity to promote adjustment in middle-income developing countries.

• Agreement to relieve the debt burdens of the poorest developing countries, particularly in sub-Saharan Africa, by urging creditors to grant partial debt forgiveness, reduced interest rates, and/or lengthened debt maturities.

• Support for the ratification of the Montreal agreement on the ozone layer and the completion of other ongoing negotiations on emissions and the transport of hazardous wastes.

Political Accomplishments

• Confirmation of the policy of constructive dialogue and cooperation between East and West, particularly in the light of greater freedom and openness in the Soviet Union.

• Reaffirmation of previous summit agreements to combat terrorism and support for the policy of no takeoffs for hijacked aircraft once they have landed.

• Support for US Government initiatives to improve cooperation against narcotics trafficking.

Venice, June 8–10, 1987

Summary

The Venice summit took place against a backdrop of escalating tension in the Persian Gulf. On the economic front, the summit leaders addressed the continuing issue of how to reconcile domestic economic policies with the need for a more stable international monetary, financial, and trading system.

Economic Accomplishments

• Reaffirmation that further shifts in exchange rates could be counterproductive.

• Agreement on the need for effective structural adjustment policies, especially for creating jobs.

• Agreement to improve the multilateral trading system under the GATT and to bring about wider coverage of world trade under agreed, effective, and enforceable multilateral discipline.

• Agreement that the long-term objective in agriculture is to allow market signals to influence the orientation of production, and to work in concert to adjust agricultural policies, both domestically and in the Uruguay Round.

• Call for newly industrialized countries with rapid growth and large external surpluses to reduce trade barriers and allow their currencies more fully to reflect underlying economic conditions.

Political Accomplishments

• Agreement affirming the principle of freedom of navigation in the Persian Gulf and the importance of the free flow of oil and other traffic through the waterway, and supporting the adoption of just and effective measures by the UN Security Council to resolve the conflict.

• Agreement on the need for more effective national efforts and international coordination to prevent the acquired immune deficiency syndrome (AIDS) from spreading further.

Tokyo, May 4–6, 1986

Summary

The Tokyo meeting, by achieving significant economic and political declarations, was hailed as one of the most successful economic summits in recent memory. There was greater specificity about attempts to increase policy coordination and a decision to begin a new round of trade talks. On the political side, the joint statement on terrorism was a landmark achievement. One reason for the success was that leaders at the Tokyo meeting had considerable experience dealing with each other at previous summits.

Economic Accomplishments

• Establishment of new arrangements to assess the consistency and compatibility of their economic policies, based on economic indicators, and including enhanced surveillance over exchange rates.

• Formation of a new Group of 7 (finance ministers of summit nations) to achieve greater economic policy coordination.

• Agreement to use the September 1986 GATT ministerial meeting in Uruguay as a platform for launching the new round of multilateral trade negotiations and to support an extension of GATT discipline to new areas such as services,

intellectual property, and investment.

• Recognition of the need to cooperate to redirect agricultural policies and adjust the structure of agricultural production in light of world demand.

• Endorsement of measures to assist Third World development, including the US initiative to alleviate debtor country problems, in order to encourage implementation of effective structural adjustment policies, and increased financial support to the International Development Association and the IMF.

Political Accomplishments

• Agreement on a tough statement denouncing international terrorism, vowing to fight it relentlessly and singling out Libya as a key target in the fight against terrorism.

• Call for a new international convention requiring information exchanges on nuclear accidents and emergencies, in the wake of the accident at the Chernobyl nuclear power station.

• Commitment to continued East-West dialogue and negotiation, and support for a balanced, substantial, and verifiable arms reduction agreement.

Bonn, May 2–4, 1985

Summary

The summit participants undertook to pursue, individually and cooperatively, policies conducive to sustained growth and higher employment. Building on common, agreed principles for achieving these goals, the leaders indicated specific priorities for their own national policies. The United States asked the Federal Republic of Germany and Japan to stimulate their economies. The leaders undertook to seek to make the functioning of the world monetary system more stable and more effective, and discussed ways to reach more realistic exchange rate relationships.

Economic Accomplishments

• Agreement to work to strengthen their economies, halt protectionism, improve international monetary stability, increase employment, and reduce social inequities.

• Promise to follow prudent economic policies, including the exercise of firm control over public spending to reduce budget deficits.

• Agreement to give increased impetus to preparations for the launching of new multilateral trade negotiations under the auspices of the GATT.

Political Accomplishments

• Support of the US negotiating position in the arms control talks with the Soviet Union, which was urged to act positively and constructively to reach agreement.

• Commitment to fighting the common threat posed by growing international drug trafficking and abuse, including the coordination of legislation to thwart international drug smuggling.

London, June 7–9, 1984

Summary

The meeting marked the passage from a period of constructing firm domestic bases for noninflationary growth to one of enhancing the openness of international trade and finance. As the previous Williamsburg summit signaled the beginning of recovery and offered an outline of future strategies in the international economy, the London summit gave a clearer focus to future tasks and actions. There was a strong endorsement of the basic anti-inflationary stance first advocated by President Reagan at the Ottawa summit in 1981. The political declarations were the cornerstone of the London summit.

Economic Accomplishments

• Agreement to continue and strengthen policies to reduce inflation, interest rates, and budget deficits and to control monetary growth.

• Commitment to work toward making their economies more competitive and flexible to reduce unemployment and develop new technologies.

• Agreement to take steps to ease the repayment terms of Third World debtor countries working to improve their economic performance.

Political Accomplishments

• In a 500-word Declaration on Democratic Values, affirmation of their commitment to a rule of law which respects and protects the rights and liberties of every citizen and provides a setting in which the human spirit could develop in freedom and diversity.

• Determination to pursue the search for extended political dialogue and long-term cooperation with the Soviet Union and its allies and endorsement of US willingness to resume nuclear arms control talks with the Soviet Union.

• Commitment to consult and cooperate in expelling or excluding known terrorists from their countries.

• Hope for a peaceful and honorable settlement to the Iran-Iraq conflict.

Williamsburg, May 28–30, 1983

Summary

The United States hosted a very successful summit as virtually all President Reagan's economic and political objectives were fulfilled. As Western economies were beginning to recover, the allied leaders accepted several US economic policies (e.g., lower taxes, more emphasis on private sector initiative). The allies acknowledged the need for united action to bring about domestic and global economic growth. The joint statement on intermediate-range nuclear forces (INF) also was an important victory for the United States because it specifically endorsed the diplomatic and military strategy that the United States and its NATO allies were pursuing in relation to the Soviet Union. The introduction of more flexibility and informality into the proceedings (e.g., less previously prepared texts) contributed to the successful meeting.

Economic Accomplishments

• Agreement on broad strategies to consolidate domestic and international economic recovery, including steps to reverse the trend toward protectionism, promote greater convergence of economic performance, and encourage the development of new technologies.

• Commitment to reduce structural budget deficits by limiting the growth of expenditures and to pursue appropriate budgetary and monetary policies to lower interest rates, inflation, and unemployment.

• Decision to convene a meeting of finance ministers to review and improve the operation of the international monetary system.

• Commitment to energy conservation and the development of alternative energy sources.

• Reaffirmation that East-West economic relations should be compatible with the security interests of the allies.

Political Accomplishments

• Agreement to achieve lower levels of arms through serious arms control negotiations with the Soviet Union, and a commitment to proceed with INF deployment if the negotiations failed to result in an accord.

Versailles, June 4–6, 1982

Summary

The summit was surrounded by controversy over the issue (settled 6 months later) of oil pipeline equipment sanctions against the Soviet Union, including the question of the applicability of US law to European companies. The leaders agreed to pursue greater coordination of their economic policies and to seek convergence of economic performance, at a time of recession in the Western industrial countries.

Economic Accomplishments

• Establishment of a multilateral surveillance system to enable countries to consult on economic policies and seek convergence of economic performance as the primary vehicle for achieving stable exchange rates.

• Agreement to pursue prudent monetary policies and achieve greater control of budgetary deficits in order to bring down high interest rates.

• Prudent use of government export credits to the Soviet Union and its allies.

• Efforts to improve the multilateral system controlling the export of strategic goods to the Soviet Union and its allies.

• Approval of a preparatory process of negotiations on assistance to developing countries and development of other forms of practical cooperation with them.

Political Accomplishments

• Call for an immediate halt to violence by all parties in Lebanon, in the wake of the Israeli invasion there.

Ottawa, July 19–21, 1981

Summary

This summit was a "get-acquainted" session between President Reagan and the other allied leaders. The President emphasized his domestic economic policies to promote sustainable, market-oriented, and noninflationary growth. He also called attention to the potential for erosion of Western security resulting from excessive dependence on Soviet energy resources (notably natural gas) and the export of strategic goods to the Soviet Union.

Economic Accomplishments

• Agreement that the goals of reducing inflation and unemployment were highest priority and that low and stable monetary growth was essential to bring down inflation.

• Commitment to liberal international trade policies and continued opposition to protectionist pressures.

• Commitment to accelerated development and use of all energy sources and encouragement of greater public acceptance of nuclear energy.

• Agreement to consult and coordinate economic policies relating to East-West trade and to ensure that these policies were compatible with political and security objectives. Agreement on the need to upgrade existing controls on exports of strategic goods to the Soviet Union and its allies.

Political Accomplishments

• Condemnation of the continuing Soviet occupation of Afghanistan.

• Condemnation of international terrorism.

• Disapproval of the escalation of tension and the continuing acts of violence in the Middle East. ■

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Secretary Baker

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Policy
No. 1160

Latin America and the U.S.: A New Partnership

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is an address by Secretary Baker before the Carter Presidential Center's Consultation on a New Hemispheric Agenda, Atlanta, Georgia, March 30, 1989.

I am truly delighted to have the opportunity to be here today. It is a special privilege for me to join two American leaders who together, I think, really symbolize the promise of bipartisan foreign policy, President Jimmy Carter and President Gerald Ford. Let me start, if I might, by saying a brief word about each of these two former Presidents.

I think it is noteworthy that just 5 days ago, we celebrated the 10th anniversary of the Camp David accords. All of the bright promises of that historic treaty have, of course, not yet been realized, but we should take note of the fact that for 10 years neither Israel's sons nor Egypt's sons have died in battle with each other, and peace reigns today on the Sinai. That historic treaty will forever be a monument to the vision and leadership of three men of peace: Anwar Sadat, Menachem Begin, and President Jimmy Carter.

I was also struck on my recent tour of Europe by the new, historic stirrings for greater freedom and democracy in Eastern Europe from Poland to Hungary; indeed, to the Soviet Union itself. There are many causes, of course, for these profound changes, but surely history will record that one of those important reasons is the leadership that was shown by President Gerald Ford in defending human rights in the Helsinki Final Act. So I very much appreciate the hospitality of each of these Presidents in inviting me to join you today.

Historic Changes

I think we meet at a truly historic moment for Latin America and for the United States. Across the Americas today, from Punta del Este to California, an old order is dying and a new world is struggling to be born.

Brazil is manufacturing communication satellites. Mexico has joined the GATT [General Agreement on Tariffs and Trade]. A new vision of regional trade and integration is taking shape in the Caribbean Basin. And the winds of democracy are blowing across our hemisphere, from Chile to Paraguay to Central America.

The United States does not stand aloof from the historic changes which are transforming our hemisphere—in fact, quite the opposite. We are proudly rediscovering our shared heritage with Latin America.

Stand in Miami today, or go as I do occasionally to San Antonio. Close your eyes and listen. You could easily imagine yourself in Caracas or in San Jose. The fifth largest Spanish-speaking community in the world now lives in the United States. Our culture and economy are vastly enriched by the contribution of these Americans.

Soon we will enter the 21st century, and we face a choice between two very different futures. Down one road lies a vision of freedom and opportunity and economic development. It's a vision in which all our citizens can share as partners in a global economy and a true community of democratic nations. Down the other road lies a failed vision. A vision of dictatorship and state control and missed opportunities. We know which road we must travel, and we know that we have got to make that journey together. To put it simply, we need each other now as we have never before.

Common Challenges

The agenda of issues before this important conference confirms that new reality—democracy; development; drugs; debt; trade; migration; the environment; nuclear proliferation. These are neither North American nor Latin American responsibilities. They are the common challenges that we are going to have to confront together to shape successfully our shared destiny.

In recent weeks and months, President Bush and I have heard that very message. We have heard it from President Salinas [Mexico], President Alfonsin [Argentina], President Perez [Venezuela], President Azcona [Honduras], President Cerezo [Guatemala], and President Duarte [El Salvador], and we have heard it from Prime Ministers Eugenia Charles [Dominica] and Michael Manley [Jamaica]—all of whom

were recently welcomed visitors to Washington. We have heard that message as well from many of those of you in this room.

I think that Latin America's democratic leaders are reaching out to the United States to offer a new partnership. A partnership built on mutual respect and a partnership built on shared responsbility. I am here on behalf of a new President of the United States and a new Administration with our answer: We are reaching back to you.

The problems we face will not be resolved through quick promises or through easy answers. Instead, we have got to confront them together. We have got to confront them with candor. We have got to confront them with courage. And we have got to confront them with commitment. Let us begin by recognizing a simple truth that we, I think, have too often forgotten in the past. We really do have a lot to learn from each other.

In recent years, the people of North America have learned a lesson from the people of Latin America. A lesson about personal courage and the passion of ordinary people to simply be free. Peasants and political leaders, shopkeepers and market ladies have defied death threats and guerrilla violence, colonels and *comandantes*, to fight for democracy. I think we learned that lesson again 10 days ago in El Salvador.

We have watched far-sighted democratic leaders take the first vital, and often politically difficult, steps to shed layers of state regulation and special preference that for too long have held in check the creative, productive energies of Latin America. And we have learned a lesson from Latin America about political leadership.

We continue to be reminded of the values that we hold dear by Latin America's special sense of family, friendship, culture, and hospitality. And we hope that our experience in the United States with democracy—our experience with a free economy—may offer useful lessons to our friends in Latin America.

The United States enjoys political stability, peaceful succession of power, unquestioned civilian authority, and the steady expansion of human rights. We enjoy these blessings because for 200 years we have struggled to ensure that every citizen can help shape our political destiny. We are committed to helping Latin America wage that successful democratic struggle as well.

We have also learned that a free economy releases the energies of individuals and entrepreneurs, that it rewards initiative, and that it offers upward mobility. Economic liberty is the surest way to fulfill the aspirations of all of our citizens. Those Latin nations which have turned to this model have already begun to see a tangible reward.

During earlier phases of our history, we in the United States too often sought rapid growth at the expense of our nation's environment. We hope that here our experience can help Latin nations learn from our mistakes, rather then repeat those mistakes.

While we have much to learn from each other, we also have much to expect from each other. Together, we have got to set aside the easy politics of blame and the easy politics of mutual recrimination. Let us forge, instead, a new bond of cooperation and a new bond of mutual responsibility.

Those mutual responsibilities are the subject of this conference, and we will discuss them also in our private dialogue. Let me, if I might, mention a few of those subjects very briefly.

Democracy and Prosperity

The democratic wave sweeping Latin America today has been propelled by the aspirations of ordinary people for freedom and a better life. Now one question, above all others, confronts this hemisphere: Can democracy really deliver?

Can democratic governments begin to satisfy their peoples' basic needs for jobs, for health care, for homes, and for schools? Can fragile new civilian regimes construct and strengthen democratic institutions, protect their citizens against organized violence from both the extreme right and left, and normalize succession of power through peaceful electoral processes? The answer, of course, has got to be yes.

Yet, hanging over every decision which the region's elected leaders contemplate is the specter of deep economic and social crisis and the weight of Latin America's foreign debt. "The elected Presidents of the continent," *The Economist* wrote recently, "rule from capital cities ringed by shanty towns, swollen with refugees from the depressed countryside."

That is not our shared vision of Latin America's future. Clearly, Latin America must begin to grow again, and the fruits of that growth must be more widely shared.

To grow, Latin America cannot continue to be a net exporter of capital. Instead, it must create a climate for investment—a climate that will bring flight capital back to the region and that will attract new capital flows. Debt is a problem, but it is really also a symptom of, sometimes, a greater problem. If there were a magic solution that did not require structural economic reform, then those nations which have declared a moratorium on debt would be growing well today, but that simply is not the case. Instead, they are in deeper economic crisis. Today, democratic governments must try to reform bloated state economies, service their debt and, at the same time, satisfy the real needs of their citizens. We understand that facing this challenge alone is a nearly impossible juggling act.

The Need for a Cooperative Approach

We do not expect Latin American nations to face this challenge alone. As these nations move forward to take the necessary, but difficult, steps to restructure and reform their economies, we must be prepared to hear their calls for help. And we accept that responsibility.

Within the first 5 weeks of our Administration, we have announced a new approach to help reduce Latin America's debt burden. In the weeks and months to come, we must negotiate case by case the details of that policy to ensure continued economic reform, to ensure a real reduction in existing debt burdens—and, very importantly, to ensure new capital flows into the future.

If we ask Latin America to strip away the layers of protection that shield their economies from the free flow of trade in goods and services, then we in the United States, too, must confront protectionism and steadily reduce the barriers to products.

If we ask that you confront the new menace of organized drug cartels, now often in league with guerrilla movements, then we must not only assist you in that effort but also confront the terrible demand that exists in our country for these drugs. Only by tackling both supply and demand can we free our hemisphere from this drug menace.

If we are together engaged in a joint venture north and south to advance and defend democracy, then we each must do our part—collectively where possible—to create new mechanisms and strengthen existing ones to defend human rights, to guarantee the integrity of elections, and to establish sanctions against those who threaten

democratically elected governments through violence or through coups.

If you ask the United States to forgo unilateral initiatives and to work, instead, in good faith with the democratic nations of Latin America in a new cooperative diplomacy to support democracy, then we ask you to join with us in good faith to turn the promise of that diplomacy into a reality throughout this hemisphere.

Our Administration has negotiated a new bipartisan accord with Congress on Central America [see Selected Documents No. 36, "U.S. Support for Democracy and Peace in Central America"]. We are committed to work with Latin and Central American democratic leaders to translate the bright promise of the Esquipulas agreement into concrete realities on the ground. That is a challenge, but at the same time it's an opportunity. All those who advocate diplomacy and political solutions to the region's conflicts, I think, have a responsibility to prove that this is the best and the surest route to achieve our common goals. We invite Latin America's democratic leaders to join us in this challenge.

Together, we must insist that the promises in that regional treaty for democracy, for peace, and for security are not only kept but verified. We are prepared, as President Bush declared in announcing the accord, to support a process that guarantees democracy in Central America. But the United States will never support simply a paper agreement that sells out the Nicaraguan people's right to be free, and neither should any other democracy in this hemisphere.

Together we must send a clear message to others outside this hemisphere: This is simply not a dumping ground for their arms or their failed ideologies. We are looking for tangible signs of the so-called new thinking. The Soviet Union now has an opportunity to demonstrate its new thinking in its relationship to Central America. That is what the Esquipulas agreement requires, and that is what the democratic community demands.

And finally, if we support dialogue between the Government of El Salvador and the Marxist guerrillas to end the conflict there, then we should insist as well on dialogue between the Government of Nicaragua and the peasant army of the Nicaraguan Resistance so the guns of war can stand silent throughout Central America. For only when democracy and peace reign throughout Central America can we get on with the urgent work of economic integration and development for which the people of that war-torn region deeply yearn.

Some look at the crises and problems facing Latin America today, and they despair. I want you to know that I am not one of those. I believe that if we have the courage and the will to seize the opportunities before us, this is a time when we can dream great dreams for all the people of the Americas.

I believe the day will come when Carlos Andres Perez and Raul Alfonsin, Vinicio Cerezo, Jose Napoleon Duarte, Carlos Salinas, Julio Sanguinetti [President of Uruguay], Jose Azcona, Oscar Arias [President of Costa Rica]—and many others—will be seen as the pioneers who blazed the trail that will lead one day to the world's first completely democratic hemisphere. I believe that our hemisphere can become the model for the rest of the planet for a true partnership between the developed and the developing nations. A partnership where trade is free and prosperity is shared and the benefits of technology are harnessed for all.

And I believe that ideas generated in meetings such as this can, in fact, lead us to the day when in all nations of the Americas the rule of law prevails, human rights are respected, the strong are just and the weak secure, and the people live in peace.■

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INTRODUCTION

(SEARAPPC 8146, 5/16/90)
Council of the Americas

A time of great change in the world, symbolized by the fall of the Berlin Wall.

-- "defeat of communism"
-- lessening of E-W tension
-- unification of the "two Germanies"

Economically,

-- Europe '92
-- the challenge of the Pacific Rim economies
-- the opening of markets, investment opportunities in E. Europe.

Concerns about the Americas' place in the world, the U.S. stake in the Americas.

o One Brazilian magazine speculated that while Brazil struggled to compete with "Asian Tigers" in the 1980s, the 1990s will belong to the "East European Tigers" and Western and Japanese investment will be diverted from low-growth LDCs such as Brazil to East European countries.

o Reflecting on the impact of Europe 92 on the Caribbean one leader said: "Is the single European market a threat or an opportunity? It can be both for the Caribbean. It is an opportunity if we are wise and imaginative -- a threat if we are not."

Change in Central Europe has seized world attention, but there are signs of profound changes -- less visibly dramatic -- taking place in this hemisphere.

o In Mexico, the Chamber of Deputies has passed by an overwhelming vote (339-54) the Government's privatization plan — privatize the banks — Senate negotiate a FTA

o Argentine exports of soybeans have grown 28 times in the little over a decade to make the world's 3rd largest exporter.

o Tijuana's exports to California are roughly equal to total two way trade between the United States and both Poland and Hungary.

o The island country of Trinidad and Tobago is the world's second largest supplier of nitrogen fertiler -- after the Soviet Union.

I. THE AMERICAS MATTER

We are re-thinking our relationships -- in this hemisphere and elsewhere. We are not retrenching. Our stake in future of the Americas is substantial and growing.

Economic

- Our total merchandize trade with the region (1989) is just under 100 billion dollars, about 13% of the world total.
- The United States has major investments in the region, amounting in 1987 to 42.3 billion, or 59% of all U.S. direct investment in developing countries.
- When our Latin partners have prospered, we have prospered; when Latin American growth has lagged, so has our trade with the region.
  - -- As the Mexican economy has opened up and turned around our two-way trade has mushroomed. The total of $52 billion is a 20% increase over 1988's figure and 50% above '87's level of $35 billion.
  - -- In 1981, at the onset of the economic crisis, the region spent $42 billion on U.S. products, 18% of our total exports. As the crisis deepened, the region's purchases of U.S. goods fell sharply to $26 billion in 1983. Today, they are just above the earlier peak ($44 billion, with no adjustment for inflation); but the share is much less (12%).
  - -- Venezuela is an example of both sides of the equation: In 1988, Venezuela grew by 4.2%; our exports advanced 28%.
    In 1989, Venezuela's econy receded by 8-10%; our exports declined by 34%.
- We share with our American partners as well a genuine interest in dealing successfully with the debt problem. Total Latin debt exceeds $400 billion of which a 1/3 is held by U.S. commercial banks. It has been estimated that the debt problem has cost the United States as much as $75 billion in lost exports over the past decade.

Drugs

- All of the cocaine consumed in the United States originates in South America. Coca, the raw product used to produce cocaine is grown in the Andean countries of Peru, Bolivia, and Colombia.
- Gross illegal drug sales in the U.S. are estimated at $110 billion -- more than our gross agricultural income, more

than double the profits enjoyed by the Fortune 500 companies combined.

- Traffickers in Latin America are estimated to net some $8 billion/year. Three of the region's 7 billionaires are traffickers.

Environment

- The Amazon represents nearly one-third of all the world's tropical forest. Estimates of de-forestation, based on LANDSAT satellite photography indicate that 5 - 12% of the Amazon has been deforested.

- Not just an Amazon issue: E.g. in Costa Rica in 1970 51% of the country was in forest; in 1980 only 30% was forest-covered. At present rate of deforestation, exploitable timber will be exhausted by 2000. Costa Rica will need to import.

- Not just de-forestation: air pollution (2/3 of region's inhabitants live in cities; 2 of world's largest cities, Mexico City and Sao Paulo, are in region), fishing practices, and Antarctic exploration.

Remaining Security Issues

- Almost 1/2 of U.S. imports and exports and 55% of our crude oil imports pass through the Caribbean Basin.

- 2 of every 3 ships transiting the Panama Canal carry goods to or from the United States.

- Insurgencies persist in Peru and Colombia, Guatemala and El Salvador. Violence -- political, social, and criminal -- traditionally high, has escalated in recent years. Now murder is the leading cause of death for male adults (18-40) in Colombia (where the government estimates some 140 groups engage in extra-judicial killings).

II. THE PROSPECTS FOR PROGRESS ARE GOOD

The countries of the Americas have taken the right direction.

- One important lesson of global changes: economic and political freedom work hand-in-hand.

  -- Democracy is an economic asset. As one former Latin Latin finance Minister put it: "Political centralism works against competition. Excessive statism must cease What is happening in Eastern Europe is an example. We are learning that democatic solutions are slow, that they often involve a difficult process of

negotiation. Democracy is less efficient in some ways from other systems but still is better because among other things, it is necessary to achieve a consensus and wide participation of all segments of society to implement change.

o In the Americas, political transformation -- the democratic revolution -- is well along; an economic revolution is underway.

-- The Volta Rondada Steel plant in Brazil (once the symbol of modernization through state-supported industrialization) is slated for privatization.

-- In Uruguay, the state mononopoly on insurance will end and private capital will be able to invest in the national airline and telephone company.

-- In Mexico, the banks are being denationalized and the state telecommunications monopoly is ending.

-- Tijuana, the second largest city on the West Coast of North America, has become known as "the world capital of television manufacturing." Unemployment is just 1% and the average wage is double the minimum.

-- Chile has transferred twice the value of state assets to the private sector than Britain, and in half the time (according to an independent study and taking into account the relative sizes of both countries).

-- The island states of the Eastern Caribbean are planning to create a regional stock exchange.

ISSUE: But, will the Latin American and Caribbean nations follow through on their programs of economic reform? What are the prospects for full implementation?

Answer: There is good reason to believe that they will follow through.

o Success in carrying through reforms depends on leaders who are willing to stay the course, to make the hard decisions and then follow through to the end. Latin leaders, it is clear, know that they must follow through on their reforms. There is a real sense of urgency on this, a sense of now-or-never.

-- Menem's Inaugural: "we are living a long, painful crisis . the worst, deepest, most decisive and most terrible crisis we can imagine. . . . This crisis is a challenge. . . . I am here to call you to the birth of a new era, of a new opportunity, perhaps the last one."

o Leaders must also set goals that make sense to citizens. Leaders are also accutely aware that economic growth is not an end in itself and are committed to growth that reaches all sectors of society.

-- Menem on the Anniversary of the B.A. Stock Exchange: "I will lead the economic recovery of a prostrated nation, with a new and wide-reaching market system. When I say wide-reaching, I mean that the economic system should serve the welfare of the population. But I also mean that each and every citizen must become part of the economic system."

-- CAP's Inaugural: "The readjustment of the economy . . . cannot be separated from the obligation democracy has twards workers, towards the poor people living in the urban and rural areas, as well as towards the middle class."

-- Collor's Labor Day Speech: one can't talk of a market economy in a society where the majority of workeers is not integrated into the economy. . . in developed market countries progress is a process of negotiation.

o The failure of protectionist, statist, and closed economic systems to produce genuine wealth is widely evident. It is understood that a reduced state role in the economy is not just compatible with but, is a pre-condition to realizing social goals.

-- Menem on Anniverary of Stock Exchange: "Forty years ago, just as in maby post-War European countries, companies were nationalized while other State-owned companies were created. Today, those same companies are bleeding the country with their deficits and imbalances."

-- Salinas' State of the Nation speech: "a State that does not attend to the demands of the people because it is too busy administering its entrprises is neither just nor revolutionary . . . An over-extended, overworked State ends up as a weak State . . ."

-- Menem on the Anniversary of the B.A. Stock Exchange: "We want a socially effective government, a government able to take charge of strategic national policies rather than one that manages hotels, blocks private initiative and bureaucratizes pepole's lives."

o Economic reform must have popular backing. The genuinely open economy has inherent popular appeal. It offers empowerment, mobility, and real participation in the economic life of the nation to all levels and sectors of society.

-- In Lima the informal sector provides 43% of the housing, 83% of the markets, and 95% of urban transport. An

estimated 40% of the GDP is generated by the informal sector.

-- Fernando De Soto's group estimates that the informal economy of Peru produces nearly 40% of the GDP and represents 60% of the man-hours worked in the country. Informals own land and housing valued at some $16 billion.

-- There are similar estimates from other countries.

+ (Economists estimate that the Brazilian GDP would be 25% higher if the informal economy's contribution were counted. One research group estimates that some 7.3 million workers are employed in the informal economy.)

+ (An Argentine think-tank estimates that the informal economy there equals 60% of the official measured GNP -- 1 out of 3 goods manufactured is not officially counted.)

-- Today the informals operate at the margins of society and in spite of state restriction and control. The closed economy discourages wide particpation by the people in the economic life of their country.

+ It took 4 researchers working full time 43 days and 15 times the minimum wage to open a small retail shop.

+ Less than 4% of the homes in Lima's informal sector are titled.

+ Getting title to a home in Peru, requires up to 48 months of hard work and more than a year's minimum wage in "fees."

The open economy legitimates private ownership, the effect is to liberate productive economic activity.

+ Legal title to property makes it possible to leverage de facto assets (through mortgages, loans, etc.) to greatly expand activity.

+ When individuals acquire title to property the "own" the value increases 9 times over 10 years.

+ In the words of Hernando DeSoto: "tangible enfranchisement" creates an "enabling environment."

o Carried through, economic opening works.

-- One small example on the micro-level: Mexico has increased its revenue from the sale of coffee by 40%, in spite of the collapse in the international coffee agreement. The

reason, according to the Mexicans: virtual elimination of the Mexican Coffee Institute as a regulator.

Country Examples

-- Mexico's GDP grew 3% in 1989 (exceeding population growth for the first time in 10 years). Inflation brought down from 51.7% in '88 to 20% in '89.

-- Bolivia continued with modest inflation, steady growth.

-- Costa Rica showed uninteruppted economic growth since 1983, with expanding non-traditional exports (now more than half of total exports).

-- Venezuela (which suffered a decline of 8-10% in GDP) still expects nontraditional exports to increase 20% under last year's maxi-develuation, has reduced its fiscal deficit reduced to just 2% of GDP last year.

-- In Colombia, tight money policy held inflation down to 27% last year. Growth at 3% remains high for the region.

III. WE WILL CONTRIBUTE TO THE WELL-BEING OF THE AMERICAS IN WORKING PARTNERSHIP WITH OUR NEIGHBORS.

Definition of Partnership: The President described our relationship this way: "a partnership built on mutual respect and mutual responsibility . . . rooted in a common commitment to democratic rule.

Our Contribution to the Partnership

What is the U.S. doing to encourage Latin economic growth? What does it plan to do concretely?

o First, let us not minimize the importance of asserting intellectual leadership. The way to solutions if often blocked by thinking that was out of synch with the times and global developments. The terms of reference needed to be clarified and discussion of issues channeled along pragmatic lines.

-- E.g. Debt: while significant in its own right, needed to be seen as the symptom of a greater problem.

-- Economic reform had to be recognized as an indispensable condition for any progress.

-- Linkages needed to be strengthened between debt-packages and internal reforms. The Brady Proposals as much a vehicle for encouraging economic restructuring as simply a means of debt and debt-service reduction.

o Concretely on the issue of debt, 5 countries (4 in the region: Chile, Costa Rica, Mexico, Venezuela; and the Philippines) have concluded new debt arrangements under Brady proposals; these countries account for 44% of commercial debt owed by the 16 largest LDC debtors.

-- Mexico's recent debt deal will allow it to reduce its net external transfers from 6% of GNP/yr. (1983-1988) to an annual average of 2% per yr. (1990-1994). (According to Jose Gurria, undersecretary for international finance, Finance Ministry).

-- Costa Rica's debt buyback agreement with commercial banks will result in repurchase of 60% of the country's debt, leaving the debt at $3.9 billion for this year.

-- Venezuela's agreement with leading foreign creditory banks allows them to slice 25% off debt value and accept bonds at fixed, below-market interest rates or provide new money.

-- We are contributing to the strengthening of the International Financial Institutions (IFIs) which play a critical support role in debt arrangements.

o The future will very much depend on what happens in the areas of trade, investment, and technology.

-- This is neither the time or place for a Marshal Plan for the Americas. The U.S. cannot underwrite the costs of economic growth out of its foreign assistance budget. Nor should we.

+ Where U.S. assistance is critical and appropriate we do provide: bilaterally and multilaterally.

+ Last year our economic bilateral aid to the region was just under $1 billion. Adding in U.S. contributions to multilateral lending institutions, our assistance to the region roughly equals that during the Alliance for Progress.

-- We are exploring ways of liberalizing trade with neighbors. e.g. Mexico.

-- We have been working to enhance the CBI.

-- The Cartagena approach wisely requires that we cooperate to liberalize trade with the Andean countries -- a step not only advantageous in its own right but also supportive of the effort to combat drugs.

-- On bilateral trade and technology issues we are working hard at establishing a "positive agenda." We are not

looking to gain a short-sighted, unilateral advantage from our 301 actions. The issue is reciprocity.

-- Consistent with our emphasis on a global approach to trade liberalization we are working hard at increasing access to markets around the world, principally at the GATT.

+ We have set a goal of eliminating agricultural subsidies world-wide by the year 2000. And, to date we have introduced over 100 proposals in the Uruguay Round.

+ + We encourage Latin participation in the GATT. Currently 12 countries have formal accession applications pending. Last year, work was completed on 3 (Bolivia, Costa Rica, and Tunisia). Six others, largely from Central and South America, are under active consideration.

+ We have a common interest with Latin GATT members in negotiating access for specific products (e.g. soybeans) and, more generally, in resisting the "protectionist temptation" in newly emerging trading groups. We invite Latin cooperation at the GATT.

-- We welcome the opportunity to invest in Latin growth. Bilateral Investment Treaties (BITs) are one way to clarify the rules of the game and facilitate capital transfere. We are exploring others. And, we would welcome signals from capital-needy countries of receptivity to investment. The issue is one of clear, transparent, and consistent rules of the game.

-- We encourage countries outside the hemisphere to trade and invest in the region: Japan, EC countries.

The Consequences of Partnership

-- If we support more open trade we need to confront protectionism in the United States.

-- If we and our partners in the hemisphere support an outward looking approach to trade then we need to work together for a freer international trading system. And, if we admit to differences with our neighbors on some GATT issues, we should recognize our common interests in gaining access to markets outside this hemisphere. We can and should work together to advance those common interests.

-- If everyone recognizes that technology is a driving force in the global economy, then we must encourage the commercial transfere of technology by discouraging the piracy of technology.

-- If our neighbors are looking for the capital to finance growth, then they must signal to investors -- their own as well as foreign investors -- that they welcome their participation, and that the rules of the game are transparent and coherent.

-- And, if our neighbors are working hard to open up their economies we should recognize that their need of capital for growth can be our opportunity for investment.

Partnership is not a zero-sum game in which my gain is your loss and vice-versa.

North and South we have an interest in dealing with the debt problem.

North and South we have good reason to expand two-way trade not just exports.

North and South we have every reason to engage more broadly in global markets even as we deepen our own economic relationship.

7883, 4/26/90
INTRODUCTION

Latin America matters, and in the next 5 to 10 years it will require still greater attention.

Latin America owes us more money, sells us more cocaine, and buys more of its imports from us than any other part of the world.

As East-West tensions/competition around the world seems to diminish, threats close to home move to the fore.

- Drugs. All of the cocaine consumed in the United States originates in South America. Coca, the raw product used to produce cocaine is grown in the Andean countries of Peru, Bolivia, and Colombia.

- The largest foreign sources of marijuana are Colombia, Mexico, and Jamaica.

- Debt. Economic disarray in South America causes a decline in the value of loan assets in U.S. banks. It also reduces by tens of billions of dollars American exports to a once thriving market.

- Terrorism. U.S. interests remain the prime foreign target of Latin American terrorists -- accounting for 3/4 of the region's nearly 150 international terrorism incidents in 1988.

- Strategic/Security Concerns. Almost 1/2 of U.S. imports and exports and 55% of our crude oil imports pass through the Caribbean Basin.

- 2 of every 3 ships transiting the Panama Canal carry goods to or from the United States.

Support for democracy is our best bet for realizing our interests and objectives in the region: from protection of human rights to security.

- Democratic states offer their citizens a say and a stake in their future and thus tend to be more resistant to subversion. (E.g. in El Salvador, in a period which has seen 6 nationwide elections, guerrilla strength has declined by 1/2; the November offensive was a last-ditch, desparation effort by an insurgency without popular support; it failed, as previous such offensives have, without that support.)

- Where economic freedom works hand-in-hand with political freedom, the results are impressive: economic growth with opportunities and benefits for all. (E.g. Mexico, Costa Rica, Bolivia, Uruguay)

- Finally, democratic states offer an environment protective and supportive of human rights. The transition to democracy has brought a marked improved in human rights performance. (E.g. In Argentina and Uruguay, where disappearances, torture, and political killings were once commonplace they are virtually nonexistent.)

Partnership describes the approach we intend to take in our dealings with the other countries of the hemisphere.

The President described it this way: "a partnership built on mutual respect and mutual responsibility . . . rooted in a common commitment to democratic rule." (Bush)

Partnership is a 2-way street. (Following is drawn from Baker Atlanta speech.)

- If we ask countries to undertake economic reform, we must be ready to lend a helping hand (the U.S., the industrial democracies, the IFIs, and the banks).

- If we ask for trade liberalization, we must confront protectionism in the United States.

- If we ask Latins to confront drug cartels, we must confront the demand that exists here.

- If the Latin and Caribbean states ask us to forgo unilateral initiatives and to support democracy in a cooperative effort, they must show the resolve to turn commitments into reality (E.g. Esquipulas).

CURRENT SITUATION AND TRENDS

The 1980s saw both progress and deterioration in Latin America.

On the positive side, a decade-long move to democracy has put all but 2 of the 33 countries of the region in the democratic column; elections in Paraguay this May gave that country a democratically-elected government after 35 years of military rule under General Stroessner. Conclusion of elections in Chile put all of South America under democratic goverment. Panama now finally on the road to recovery.

On the down side, economic growth has barely kept up with population increases -- where once growth rates were 2 - 3 times our own and second only to the East Asian NICs'.

This stagnation imposes

- a human cost in underdevelopment,
- an "opportunity cost" in markets lost to American exports, and
- a political cost to elected leaders who attempt needed but difficult policy reforms.

Across a wide front, the region has experienced regression.

- Drug traffickers net an estimated $8 billion annually. Area cultivated grows by some 10% a year. Three of the region's seven billionaires are drug traffickers.
- Debt has risen to over $400 billion, up from $330 billion in 1982.
- Insurgencies persist in Peru and Colombia, Guatemala and El Salvador. Violence -- political, social, and criminal -- traditionally high, has escalated in recent years. Now murder is the leading cause of death for male adults (18-40) in Colombia (where the government estimates some 140 groups engage in extra-judicial killings).

Democratic gains are not absolutely fixed. In Peru, Guatemala and Argentina, coup rumors have surfaced from time to time even as elected leaders work to consolidate democratic government. In Argentina three barracks rebellions took place since April 1987.

A perception that democratic leaders are unable to cope or that democracy is unable to "deliver the goods" puts democracy at risk and could produce an antidemocratic reaction.

To be sure, the problems are not insurmountable.

-- Mexico, Bolivia, Costa Rica, and Uruguay have done considerably better than average economically.

-- Concerning drugs, debate over who's to blame is largely over and cooperation has begun. The Cartegena Summit laid out a comprehensive framework for cooperation. The Latins are beginning to take political risks (herbicide use, eradication campaigns) and deploy their best assets (the military in Colombia).

-- Gaining momemtun in the late 80s, has been a trend to greater pragmatism and eagerness to dialogue.

CURRENT POLICY, OBJECTIVES

Support for democracy is the keystone of our policy and offers an enduring basis for bipartisan policymaking in the U.S.

- To directly further democracy, the U.S. provides direct support for free and fair elections (e.g. Nicaragua), vigorously opposes coup attempts (Argentina, Guatemala, Peru), and is quick to encourage openings when they occur (Paraguay).

- Material support for democracy aims at long-range institution-building:

  -- Technical/legal assistance to judicial systems in Argentina, Bolivia, Chile, Colombia, Peru, and Uruguay are being initiated; administration of justice programs in Central America have shown the way (the investigative capacity of the Special Investigative Unit in El Salvador -- supported by U.S. assistance -- was critical to the progress on the Jesuits case.

  -- A legislative management program will start up in Chile.

  -- Our aim is strengthen the building blocks of a healthy pluralism -- courts, legislatures, a free press and trade unions. With some exceptions, these institutions tend to be weak thoughout the region.

Democracy/Nicaragua. The elections of February 25th which ended 10 years of Sandinista rule mark the beginning of Nicaragua's transition to democracy.

- The democratically elected government of Violetta Chamorro faces major challenges in consolidating democracy in Nicaragua.

  -- The opposing sides in Nicaragua's civil conflict must work a reconciliation.

  -- The Nicaraguan Resistance must be re-integrated in the political, economic, and social of the country.

  -- 10 years of Sandinista economic mismanagement have left the economy in a shambles; economic reconstruction which lays the basis for long-term economic growth is in order.

- The United States supports the consolidation process and is endeavoring to assist the Nicarguan democracy bilaterally and multilaterally.

-- The United States is cooperating with the UN and the OAS in the demobilization and reintegration of the Nicaraguan Resistance.

-- We have lifted the economic sanctions intended to pressure the Sandinistas to fulfill their promises to democratize and are working to provide economic assistance to Nicaragua.

-- We are encouraging other countries -- in the hemisphere and outside -- to provide assistance to Nicaragua.

Panama -- Years of mismanagement and corruption by the Noriega regime wreaked havoc on the Panamanian economy, shattered the public sector, and destroyed confidence in the country's justice system.

o Events finally led to a Panamanian declaration of a state of war, attacks on US personnel, and the U.S. military response in December, 1989.

o For Panama to recover significant U.S. aid will be required.

Economic Aid

o By the start of FY 91 we expect to have assisted Panama in responding to the most immediate short-term needs for economic recovery and political stability -- including solving the political/humanitarian problem of re-housing residents made homeless by the fighting, repairing damage to infrastructure, and providing technical assistance to government ministries.

o Significant, but one-shot economic assistance (a FY 90 supplemental of $500 million has been requested) will be required to "jump-start" a fundemantally sound economy and assure that it returns to a sustainable growth pattern.

o The supplemental FY 90 assistance package will continue to be used in FY 91 to promote sustained economic recovery and to strengthen the administration of justice.

Military Aid

o Panama had available some $6 million in prior-year military assistance grant funds as well as $3.8m in FMS Credit. Most of these funds have been spend to by nonmilitary basics for the public forces (uniforms, trucks, small arms, etc.)

-- There are no plans to implement military assistance (other than a modest International Military Education and Training (IMET) program to give a select group of

Coast Guard and public forces infrastructure-support training).

-- Other kinds of military aid will be depend on GOP decisions on the organization and mission of the non-police components of the public forces -- including specialized units.

o The Endara Government has made clear that the new public forces will have primarily a police/public order mandate -- fully responsive to civilian authority, and with strictly limited military functions and equipment.

o It recognizes, however, need for the capability to combat terrorism and insurgency -- and Panama will consider formation of small "specialized units" to deal with these.

o U.S. aid to the public forces is currently limited to the development of a civilian law-enforcement assistance program, to be implemented immediately upon the removal of Congressional restrictions on aid to Panama.

The National Drug Control Strategy lays out -- among other things -- our priorities in the international war against drugs.

o Disruption and dismantlement of drug-trafficking organizations.

o Reduced cocaine supply.

-- Law enforcement, military, and economic assistance will be provided to the three Andean cocaine-producing countries to (a) isolate major growing areas, (b) block delivery of chemicals for processing, (c) destroy processing labs, (d) dismantle trafficking organizations.

-- Efforts in transit areas will be improved

-- And, Joint Intelligence Collection Centers have started to operate in the Caribbean Basin.

o Reduced heroin supply through efforts to convince other countries to exert influence on opium growers and reduce heroin processing and distribution.

o Reduced marijuana supply through strengthened foreign law enforcement and eradication, and through efforts to discourage minor producing nations from becoming major producers.

- U.S. assistance and encouragement for multilateral efforts aimed at source country and transit country production and distribution.

- Other international objectives:

  -- Elevation of drugs as a bilateral foreign policy issue.

  -- U.S. ratification of the UN Convention Against the Illicit Traffic in Narcotic Drgus and Pyschtropic Sustances.

  -- Support for the foreign aid certification process.

  -- Bilateral and multilateral efforts against money-laundering.

Some recent achievements

- By far the most notable, the Cartegena Drug Summit.

  Not just a photo-op or protocollary, the Summit ended the fruitless debate over supply and demand, who is to blame.

  It laid out a comprehensive framework for dealing with the problem -- to which the principal coca-producing countries and key consuming country agreed.

- In Colombia, the fifteenth extradition since August of last year took place March 28.

- CICAD (the OAS body on drugs) approved, due in part to the leadership of Chile and the U.S., model legislation on precursor and essential chemicals that is more restrictive than the 1988 UN Convention. CICAD's model legislation will be submitted to the hemisphere's drug ministers in Ixtapa.

- On March 24, Bolivian forces destroyed a large cocaine production complex not far from the Brazilian border. This is one of the largest labs destroyed to date in Bolivia and the biggest success yet for the riverine program.

- The Bahamas signed an Extradition Treaty Signed on March 9 which should remove some of the obstacles we have previously faced when attempting to prosecute drug traffickers arrested in the Bahamas.

- As of March 28, Bolivia's eradication efforts have have almost equalled last year's total. In 1988, Bolivia, which has adopted sweeping anti-narcotics legislation, exceeded its eradication targets.

Regarding debt and development, the Brady proposals incorporate key elements of the Baker Plan

- Economic growth through market-based economic reform;
- Voluntary action by creditor banks -- no "taxpayer bailout" for banks or debtors; and,
- Case-by-case negotiation of debt agreements.

To this approach, the Brady proposals add

- Voluntary debt and debt-service reduction. The precise amount and terms of debt or debt-service reduction will depend on negotiations between the banks and debtors.
- The idea is that in return for a reduction of debt, banks will be guaranteed repayment on remaining debts.
- Here is where the international financial (i.e. lending) institutions (IFIs) come in. They can serve as guarantors in specific debt reduction arrangements.
- For its part, the United States has helped to enhance the resources of the IFIs to enable them to play a greater role. (We contributed to an increase in capitalization of the World Bank last year; this year we are working on an increase in our IMF quota.)

Debt is a problem, but debt, quite frequently, is also the symptom of a larger problem: restructuring economies to support sustained growth, with benefits widely shared.

- QUOTE. Carlos Andres Perez (addressing international labor leaders in April) said, "If we say, for the sake of argument that the debt disappears and if we continue managing our economies as we have managed them in the past, inevitably we would continue in the same situation of unemployment and disaster."
- If debt relief, all by itself, were a magical solution to the problem then countries which have declared moratoriums would be growing today. They are not. (E.g. Peru; temporarily, Brazil)
- Leaders know that market-based economic reform is essential. In Argentina, the new government working to sell off state-owned monopolies, lower barriers to foreign investment, and end subsidies for sheltered private industries. Argentines realize that while others can be supportive, they must make the fundamental changes that will make the most difference.

- o Where such measures have been pursued vigorously the results have been impressive. E.g. Costa Rica.
  - -- It has slashed deficit from 13.7% of GDP ('81) to 0.3% ('87);
  - -- It has privatized state-owned companies, liberalized banking system, maintained realistic exchange rate;
  - -- Inflation fell from 82% ('82) to 15% ('87).
  - -- Unemployment down from 9.5% ('82) to 5.6% ('87).
  - -- Nontraditional exports have increased 182% in 4 years to 1987.

- o Similar efforts and results in Mexico prompt us to view favorably efforts by Mexico, the banks, and the IFIs to work out a debt reduction/payment scheme. When debt relief goes hand-in-hand with economic reform, everyone benefits.

OPPORTUNITIES AND PROBLEMS

Three developments, if managed well, promise a more active and successful relationship with South America.

The first is the growing realization that state-directed, dependency-based theories of national economic management do not work in a competitive, interdependent world.

- o While the movement to privitization is still halting, Latins' own experience and news of change in the Soviet bloc are creating doubts about statist models.

The second is a genuine and widely held commitment to democracy: people believe that they can govern themselves.

- o Election turnout is exceptionally high.

- o And grassroots political activity is strong (Argentina, Brazil, and Venezuela).

Lastly, Latins are eager for "dialogue" with Washington. They are also receptive and ready to listen.

STRATEGY AND POLICY

The continent is wealthy in resources and human capital and traditionally oriented to the U.S. As its major customer, richest and most populous neighbor, the U.S. has a position of influence. Careful use of this advantaged position is important, since the U.S. cannot buy away Latin problems; in the end solutions must be home-grown. U.S. strategy aimed at supporting the evolution of politically and economically secure partners will in the long run produce the best returns.

Look @ European speeches

Look @ Asian speeches

get Collor inauguration speech

ECONOMY

- wonder stories
- satellites?
- success in health
  - school / literacy
  - more univ. grads?
- return flight capital

Latin America at the Threshold of a New Century

Statement by Sally Grooms Cowal
Deputy Assistant Secretary of State for Inter-American Affairs
United States of America

Ministerial Session
Economic Commission for Latin America and the Caribbean
Caracas, May 9-11, 1990

Mr. President, heads of delegation, ladies and gentlemen:

It is a privilege and an honor to address the Ministerial Session of the 23rd meeting of the Economic Commission for Latin America and the Caribbean.

As ECLAC embarks on its fifth decade, profound change is taking place in Latin America. At this very moment, the Latin American and Caribbean countries are undertaking an historic transition toward democracy and the establishment of economies based on principles of the market place and competition.

Economic stagnation, unemployment, widening spreads in income distribution at the expense of the poor, and staggering inflation rates are the legacies of the discredited statist, inward-looking policies followed in the past. Rather than focus on the past, however, as we look to 1992, the next ECLAC meeting and the beginning of the sixth century of the New World, let us dare to look to the future. We stand at the threshold of a new century; fresh promise and possibility abound.

For the first time in history, the two continents of our Hemisphere are developing a shared economic vision. For centuries, the notion of the New World as the world of liberty has been a common and unifying theme for the Hemisphere. Now, more and more, we find a common understanding of the importance of the individual being able to make economic choices, as well as political ones. The authoritarian state has long been discredited in political thought; its economic parallel, the command economy, has likewise suffered a philosophical demise. Leading theoreticians throughout Latin America, as well as practical businesspeople and government officals, increasingly recognize the market as the mechanism through which the individual's economic choices are most effectively turned into reality. This is a revolution as profound as that of the ballot box.

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These internal changes in Latin America have profoundly changed the U.S. relationship with the region. Leaders elected to office have the legitimacy and self-confidence to deal with their neighbors within the Hemisphere and elsewhere in the world as political equals. And countries which have freely committed themselves to a profound restructuring of their economic and social systems experience a justifiable sense of pride and self-reliance. We are therefore moving toward a relationship which for the first time in history is a natural and easy partnership. Theories of Latin America's economic dependency and marginalization -- so fashionable in the 1970s -- have been made irrelevant by the people of Latin America themselves deciding to take control over their history and responsibility for their future.

We have long talked of partnership in the Americas. I believe we can give that term a new and concrete economic meaning as we enter the new century. As our economies grow and change, and as technology shrinks the distances between us, the economic barriers which separate us become ever less relevant. We are all more and more part of a world economy in which goods, services, know-how, ideas from all parts of the globe are combined to serve a universal market. To grow, and to prosper, each of our nations will have to become increasingly open to that world economy, and to accept the notion of the globe as a single enterprise in which each nation plays a significant and interdependent role.

The next decade -- and the century beyond that -- will present us all with major challenges. Economic development means change, profound change, fundamental change. And history shows us that the rate of change is accelerating. To meet the ever more rapid changes that will occur in the next ten years, the economies of the region will need to be more flexible, efficient, and outward-looking. We need to encourage and cement in place the structures which have begun to emerge, for the world of the 21st Century will bring the most rapid and voracious change we have ever seen. Even more than in the past, the winners in the global competition will be those who have undertaken reform as a continuing process.

This is a formidable, perhaps even a forbidding challenge. At the same time, I am convinced that the necessary assets to meet the challenges of the 1990s already exist in Latin America and the Caribbean. The continent has the means to effect its own economic transformation.

- The region has always been rich in natural resources. A land that for so long only supported one-crop cultures of sugar and coffee and not much else has turned to new and varied crops such as winter vegetables, cutflowers, soybeans, and citrus fruit, and to new industries of satellites and supertankers.

- It is generally accepted that Latin American financial resources -- much of it flight capital in foreign banks -- are sufficient to pay off the region's external debt. This capital will return -- not in response to rhetoric, but when investment climates are healthy.

- The labor force in Latin America and the Caribbean is already urbanized, largely literate, mobile, and increasingly organized.

- And everywhere, there exist the energy and imagination which are the seeds of a dynamic, risk-taking private sector. Even in Nicaragua, which has suffered the ravages of a decade of civil war, there remain elements of an entrepreneurial private sector upon which to build. Increasingly, studies of the informal sector throughout Latin America show that the spirit of enterprise is strong, even under extraordinarily adverse conditions of poverty and stifling over-regulation.

These are indeed impressive assets. And we must add to that some impressive evidence of a growing will to undertake fundamental economic reform.

We now know, both from experience as well as economic theory, that growth and development flow from policies which inspire the confidence of investors and lenders, domestic and foreign. It is widely recognized that private initiative, and private savings and investment, are absolutely necessary.

In fact, in recent years, many Latin American countries have begun to move away from excessive government control, market intervention, and import substitution strategies of the 1960s and 1970s. They have moved toward more market-determined exchange rates, increased export orientation and better macroeconomic management. Many of these policies have been outlined by delegations present, who have provided vivid examples of change.

These examples are heartening signs of major progress. But the process is not complete. Governments in the region must continue to move forward to complete the reform process. They must commit themselves to the task of building a lasting political consensus which supports the notion that a prosperous future can only be built on a bedrock of sound economic polices and open trade and investment regimes. Even with sound policies in place, it takes time to build credibility, and to restore the confidence of potential investors, whether large or small.

We all know, of course, that implementation of economic policy reforms, while long overdue and absolutely necessary, is not painless. Change, even if ultimately beneficial, often brings with it temporary disruption and insecurity. Perhaps most importantly these policy reforms imply a fundamental change in the way people perceive their relationship with the state -- which has been an important point of discussion at these meetings.

These reforms demand a change in basic attitudes whereby individual enterprise is encouraged, and the state seeks to promote a stable economic environment that rewards initiative and provides proper incentives to work, save and invest. Under this philosophy, government provides a stable fiscal, monetary, and legal environment and then lets markets operate freely to determine the most efficient allocation of resources. Equity and social justice come not from the state assuring each citizen an appropriate livelihood or stable employment, but rather by providing basic investments in human capital (education and health) and establishing a fair and open framework within which citizens can exercise their economic choices.

This is a profound change in human psychology. It places the individual at the center of economic life, just as democracy places him at the center of political life. And as such it will release a new wave of entrepreneurial energy and economic dynamism. If the right economic institutions and incentives are in place and have proven their reliability, we know that people -- even the poorest -- will work and save and invest as a way of assuring themselves and their children a better future.

Crucial to the success of this system is equality of opportunity. This means a whole host of difficult but indispensable structural changes -- changes which I increasingly see in Latin America. It means, for example:

--Appropriate social investment, such as access of the poor to basic education and health;

--Dismantling the maze of regulation which keeps the informal sector out of the economic mainstream; and

--Realistic pricing of capital so as to encourage more labor-intensive industry -- and more jobs.

This economic philosophy also implies a fundamental change in how people look at external factors. No country is an economic island. What happens in the world economy inevitably changes what happens internally, even in large countries such as the U.S. But neither are countries merely passive victims of external circumstances. We have seen that wise economic management can make a major difference, even in the face of major international economic dislocations, and even for relatively small and less developed countries. I see a very healthy new sense of self-reliance in Latin America, a new appreciation of each country's ability to make its own way.

There may be some who are still inclined to blame economic problems on external factors like debt. Debt, of course, remains a problem. It is, however, more a symptom of a greater problem. As President Carlos Andres Perez has said: "If debt disappears and we continue managing our economies as in the past, inevitably we would continue in the same situation of unemployment and disaster."

Let me turn now to two major issues in the external economic environment faced by the region: debt and trade. In both these areas, I believe, we have made some important progress.

Notable progress has been made in the past ten months in implementing the strengthened international debt strategy which was reaffirmed at the World Bank/IMF spring meetings this week in Washington. Just yesterday, a 50 percent increase in IMF resources was approved by IMF officials and is likely to be approved soon by IMF members.

My country has been at the forefront of advocating the need to reduce debt and debt servicing for countries which are themselves active participants in economic reform. Named for Treasury Secretary Nicholas Brady, the so-called Brady initiative is really a set of proposals which can be flexibly applied. You are all aware of the key elements of this important initiative.

Recently, Venezuela and its creditor banks reached an agreement in principle on a comprehensive financing package which included both a significant new money feature as well as several debt and debt service reduction options. With this package, four countries in the region -- Mexico, Costa Rica, Chile, and Venezuela -- plus the Philippines have now taken advantage of the Brady initiative.

In the trade area as well, there is considerable basis for optimism. The United States and other industrial democracies have achieved stable growth in their domestic economies and have promoted the continued expansion of world trade. This has contributed to enhanced export opportunities for Latin America and the Caribbean.

In 1989, GDP in most of the G-7 grew in the range of 3 to 4 percent, which continues the strong trend of the past several years. Inflation has been kept in check at around the five-percent level in these countries. Further reductions have been achieved in many of the largest trade and current account imbalances.

The U.S. economy has continued its record peacetime expansion for the seventh straight year. Real GNP increased by almost three percent in 1989 and is forecast to rise by about two and a half percent in 1990 and by more than three percent in 1991. U.S. inflation in 1989 was 4.4 percent. Reduction of the federal budget deficit continues, and we remain committed to making substantial progress.

Despite many complaints and perceptions to the contrary, the U.S. market is remarkably open. Our tariffs, for example, average less than five percent. We take close to half of what Latin America exports world-wide.

But our policy is to go further, and to seek even greater openness; to create an ever-expanding global trading system based on clear and enforceable rules. President Bush has designed, and we are vigorously executing, a three-pronged strategy to achieve these objectives:

--First, we are committed to conclude successfully the Uruguay Round of trade talks by the December 1990 deadline.

--Second, in a manner that is entirely consistent with our Uruguay Round aims, we will pursue bilateral and regional market-opening intiatives.

--Finally, we will use the strength of our domestic market to further our objectives in the Round.

With respect to agricultural trade, the United States tabled the first comprehensive proposal on reform in this area. The U.S. proposal would allow farmers to grow what they want, when they want, and earn a decent income without government interference. Latin American and Caribbean countries would benefit considerably from our proposal.

On market access, the United States has challenged its trading partners to envision a future "tariff-free" world. We are ready now to work aggressively with others to achieve this in key sectors of the Uruguay Round.

Our new proposal on textiles would bring this sector within GATT discipline in a reasonable period of time. But we are not prepared unilaterally to liberalize our market. Other countries must participate.

In the new areas of services, investment, and intellectual property, we all have a major stake in creating rules of international fair play. Services are an increasingly important sector in all our economies, whether construction services, financial services, or computer software services. And, while services are important in themselves, agriculture and manufacturing would grind to a halt without them.

While seeking global trade liberalization, we are also committed to programs which recognize the special needs of developing countries. The Generalized System of Preferences (GSP) provides duty-free access on a wide range of products imported from developing countries. Further, the Caribbean Basin Initiative gives the small and particularly vulnerable countries of Central America and the Caribbean improved U.S. trade opportunities, which have helped create many new jobs in those countries that have adopted sound economic policies.

To sum up, we see tangible near-term opportunities for a major liberalization of world trade. Latin America can play an increasingly important role in this new trading system. More Latin American countries are becoming members of GATT, more governments are committed to full participation in world trade, more countries are dedicated to an economic model which would make them dynamic actors in this new system.

And yet, today some in Latin America and the Caribbean are questioning the place of the Americas on the world scene. There is concern about marginalization: being left out and left behind by change. Will they measure up, for example, to the challenge of Europe '92? There should be no reason to worry so long as the pace of economic reform continues unabated. European integration presents Latin America and the Caribbean

region with challenges and opportunities in terms of market access. Indeed, the EC single market, the most visible aspect of the integration process, may serve as a model for parts of the Latin American region.

Similarly, there is concern that the attention of governments as well as international business is shifting away from traditional economic interests in Latin America toward the new trading and investment opportunities opening up in Eastern Europe. Here again, the issue is how Latin American governments and entrepreneurs will respond to the new challenge. If Latin America continues and deepens its commitments to market-oriented policies and to international competitiveness, then the new Eastern Europe will not be a threat but an opportunity, providing a new market for Latin goods and services.

This is a time of great promise, but also -- let's face it -- of some confusion. There is a new consensus on the broad principles of development strategy, but governments have to translate these principles into specific, practical, cost-effective programs.

As more countries in the region implement reforms aimed at promoting greater private sector involvement in development; at building strong, responsive capital markets; at legitimizing the informal sector, and at stimulating more competition in both the public and the private sector, ECLAC can serve as an important advisor, helping to sort out what works best, disseminating successful experiences, and extracting useful lessons from not-so-successful ones. Working closely with member states and drawing from their real-life experience, ECLAC can recommend comprehensive domestic economic policies, with the aim of generating domestic investment and attracting foreign equity and voluntary lending.

Another important function for ECLAC is to tell the world the exciting story of change in Latin America and the Caribbean. The democratic revolution which the region has experienced is well known and justly well appreciated. But the parallel economic revolution, the seminal changes in economic philosophy which now underlie most governments' policies, this is less well known and less well understood.

There is also a certain amount of doubt on the part of many business leaders -- understandable perhaps -- that this new economic philosophy will take hold and prove durable enough to to withstand political pressures. ECLAC thus has an important role in disseminating the track record of Latin American economic performance, in demonstrating the credibility of the new economic model. We need to aggressively market the attractiveness of Latin American and Caribbean countries as trading partners and as offering investment possibilities.

If the domestic and external challenges and opportunities are faced with perseverance, we can look forward to the 1990s as a new beginning. With commitment to the exercise of both economic and political freedoms, the new decade can be one of renewed prosperity in our hemisphere and full participation of Latin America and the Caribbean in the global economy.

In closing, I would like to repeat what World Bank President Barber Conable recently said about economic progress and prospects in Latin America and the Caribbean:

> There are those who see only problems and crises in Latin America. I see instead a region blessed with abundant natural resources, and populated by peoples of energy, imagination and courage. I see a region where, since World War II, remarkable economic and social changes have taken place; where average income has more than doubled, and where average life expectancy has risen by one-quarter. I see a region where, even in a time of severe economic stress and painful but necessary reform, the transition to democracy has been successful.

I share this vision. In the turmoil of great change, it is easy to see only the strife and the confusion. But we need to remember where we are going and what we have already achieved. The United States and Latin America have a long history of mutual endeavor and mutual support. Today, we have a renewed partnership, based on a newly shared economic vision of open societies and open economies. With our traditions of friendship and mutual support, and with a new guiding vision, we can move into the new decade with confidence and hope.

Thank you.

Luigi R. Einaudi

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Following is a statement by Luigi R. Einaudi, US Permanent Representative to the Organization of American States, before the Subcommittee on Western Hemisphere Affairs and the Subcommittee on Human Rights and International Organizations of the House Foreign Affairs Committee, Washington, DC, May 1, 1990.

Potential and Uncertainty

Speaking last November to an Organization of American States (OAS) General Assembly filled with representatives of the elected governments of Latin America and the Caribbean, Secretary Baker said that he and President Bush believe that we and they "have it in our power to create, here in the Americas, the world's first completely democratic hemisphere—a hemisphere, as the charter of the OAS envisions, where human rights are respected and the rule of law prevails, where all nations live in peace and none lives in fear of aggression."

This is not a utopian vision. The bitter troubles of Central America are not over, but there is clearly movement toward conflict resolution on a basis of democracy and national reconciliation. In the Caribbean, Haiti has fresh hope for democracy; only [Fidel] Castro's Cuba remains stubbornly resistant to the winds of freedom. In South America, Brazil and Chile this year completed democratic transitions with new presidents elected directly by the people. In January, Canada joined the OAS as a full member. This June, the annual OAS General Assembly will meet in Paraguay, whose government is a symbol of political and generational change.

Uncertainties abound, however. The hemisphere has largely rid itself of dictatorships, but even elected leaders still face ominous clouds of poverty and frustrated development. The momentous changes sweeping Eastern Europe are altering the structure of international politics as we have known it since the end of World War II, but the nature of the new order remains unclear. Where will the Americas fit? Many observers are pessimistic, both about Latin America after a decade of lost growth and about the outside world's continuing interest in the region's development.

Finally, [Western Hemisphere Affairs Subcommittee] Chairman [George W.] Crockett last July noted one problem central to this hearing. The OAS is financially broke, its relevance undermined by a generation of misuse and disuse by member governments.

This year marks the centennial of the first International Conference of American States (1889–90) in Washington, presided over by US Secretary of State James Blaine. The International Union of American Republics, staffed by the Commercial Bureau of the American Republics, became the Pan American Union in 1910. The modern Organization of American States is based on the 1947 Inter-American Treaty of Reciprocal Assistance (the "Rio Treaty") and the Organic Pact adopted in 1948 in Bogota and most recently updated at Cartagena in 1985.

Today, the OAS has 32 members. Its activities are consistent with Article 52 of the United Nations Charter, which recognizes "regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action."

A Renewal Has Begun

Few observers thought a year ago that the OAS would be deeply involved in such weighty matters as Nicaraguan elections, [Manuel] Noriega, or effective peacekeeping and antidrug activities. Take just four examples:

• On April 18, 1990, the Sandinista government of Nicaragua and the Nicaraguan Resistance agreed to a cease-fire with the full participation and support of the incoming Chamorro government and witnessed by Cardinal Miguel Obando y Bravo. The cease-fire was negotiated and signed in the OAS offices in Managua.

The cease-fire calls for UN forces (the UN Observor Group in Central America—ONUCA—with Venezuela in a key role) to collect weapons. Meanwhile, OAS teams are to provide humanitarian assistance to the demobilizing resistance forces.

Earlier, OAS election observers were decisive in ensuring the freedom of the February 25 elections. Two Members of the US House of Representatives Subcommittee on Western Hemisphere Affairs, Representatives Porter Goss and Harry Johnston, were among the 434 international observers and experts mobilized by the OAS to create the climate of confidence that enabled the will of the Nicaraguan people to be respected.

• Last February, the summit between President Bush and the Presidents of Colombia, Bolivia, and Peru marked a powerful new antidrug consensus.

On April 17–20, 1990, Attorneys General and Ministers of Justice from throughout the hemisphere gave concrete impetus to the war on drugs. They agreed to complete ratification of the 1988 UN antinarcotics treaty by year's end. They approved specific legislation controlling essential and precursor chemicals and machines used in the manufacture of cocaine and urged individual countries to adopt it as soon as possible. And they established an experts group to develop model common legislation against money laundering and illegal assets.

The meeting was organized by the OAS Drug Abuse Control Commission (CICAD), which had earlier negotiated the model legislation on chemicals and will now develop the legislation on money laundering.

• On November 9, 1989, just as public attention focused on the opening of the Berlin Wall, the Inter-American Commission on Human Rights (IACHR) issued a devastating *Report on the Situation of Human Rights in Panama.* The OAS report systematically documented the Noriega regime's abuses of human rights after it suspended rights established in the Panamanian constitution on June 10, 1987. The IACHR'S conclusion: The puppet government installed by Noriega on September 1, 1989, was "devoid of constitutional legitimacy."

• On October 6, 1989, a citizen of Trinidad and Tobago died in a shooting incident between a Trinidad and Tobago fishing trawler and a patrol boat of the Venezuelan national guard. At the request of the two governments, OAS Secretary General Joao Clemente Baena Soares appointed three experts, two from the OAS Secretariat and one from the Royal Canadian Mounted Police, to undertake an impartial investigation. By January, the recommendations of the OAS team had led to the conflict's resolution to the satisfaction of all concerned.

Trinidad and Tobago's minister of external affairs wrote that the OAS had again demonstrated its value as "the ideal forum of the Americas for the peaceful resolution of conflicts."

US Policy and the OAS

From the start of his Administration, President Bush and his Secretary of State have articulated a new emphasis on multilateral diplomacy.

On March 30, 1989, having just concluded a bipartisan accord between the executive [branch] and the leaders of the United States Congress, Secretary of State Baker told a distinguished assemblage of democratic leaders from Latin America and the Caribbean that "we need each other now as we have never before.... If we are together engaged in a joint venture north and south to advance and defend democracy, then we must each do our part—collectively where possible—to create new mechanisms and strengthen existing ones to defend human rights, to guarantee the integrity of elections, and to establish sanctions against those who threaten democratically elected governments through violence or through coups."

"If you ask the United States," the Secretary said to his fellow members of the OAS, "to forego unilateral initiatives and to work, instead, in good faith with the democratic nations of Latin America in a new cooperative diplomacy to support democracy, then we ask you to join us in good faith to turn the promise of that diplomacy into a reality throughout this hemisphere."

On March 22, 1990, Assistant Secretary of State Bernard Aronson told the Committee on Appropriations of the House of Representatives that the United States perceived four tasks in its relations with Latin America and the Caribbean: "Consolidating and building on democratic gains, advancing economic development, promoting peace, and ridding our region of the scourge of drugs."

The OAS is contributing in all four areas. But the OAS also serves as a critical "environmental" factor. A climate of effective regional communication can only start with a clear statement of national interests. The precedent was established at the United Nations by Senator Moynihan and Ambassador Kirkpatrick. [Daniel Patrick Moynihan and Jeane Jordan Kirkpatrick, former US Permanent Representatives to the United Nations.] Silence is often not golden. There are cases to make, interests to defend. Words count. Resolutions matter.

By making clear our interests, we make them understood and position ourselves to seek as much common ground as possible with others to advance them. The OAS is an association of sovereign states. No matter what extraordinary changes are wrought in the world, this will still be a hemisphere of nation states. The OAS makes possible consultations and harmonization of interests

and instruments among the countries of this hemisphere on a basis of respect for sovereignty.

The OAS Fumble on Panama

On December 20, 1989, US military forces went into action to defend US citizens in Panama. The action was a sharp reminder that multilateralism does not always work. The OAS, to which the United States and other countries had turned after the brutal annulment of the May 7, 1989, elections, failed. Its actions did not begin to match the agony of the Panamanian people, their initial faith in the OAS, or the hopes of the international community.

A mission of foreign ministers expended much effort but was unable to negotiate Noriega's departure from power. The result left the people of Panama—and the US citizens fulfilling treaty obligations to operate and defend the Panama Canal—subject to abuse and, for some, death at the hands of the Noriega dictatorship. Disguised initially by appeals to the doctrine of nonintervention, this failure of diplomacy became evident to all when the United States was ultimately forced to military action.

The Noriega case did show that the OAS could be used by member governments to communicate their concerns to a broader public. On August 31, 1989, the eve of the September 1 deadline established in the Panamanian constitution and recognized by the OAS meeting of foreign ministers for the transfer of power, the United States called for a special session of the Permanent Council. Acting Secretary [of State] Lawrence Eagleburger delivered a powerful, detailed statement, "The Case Against Panama's Noriega." The US Mission distributed facsimiles of the Florida indictments and copies of Noriega bank records in Europe. Together with the damning OAS human rights report, these OAS activities led to the isolation of Noriega's Panama and the withdrawal of ambassadors from Panama by many OAS members.

Even so, OAS inaction was deeply disappointing. Part of the problem was Noriega's obduracy, part of it the unwillingness of OAS member governments to make the admittedly tough decisions involved. The lowest-common-denominator approach that ensued made clear the hemisphere's distaste for Noriega and his brand of government, but failed to provide any visible consequences for his defiance of hemispheric opinion.

Our prolonged and patient effort to deal with the crisis in the OAS helped mitigate adverse reaction to the use of military force when it was finally required to defend the lives of US citizens. The OAS resolution of December 23 criticized the US action unequivocally, but "deeply regretted" rather than condemned. Conscious that responsibilities were shared, Venezuela and five other Caribbean Basin nations abstained.

The OAS Recovery on Nicaragua

OAS election monitoring in Nicaragua contributed decisively to the fair outcome of the February 25 elections. The presence of observers from the UN and the OAS as well as those organized by [former] President [Jimmy] Carter, the Center for Democracy, and other activist groups, permitted the voters to express their will without fear and made it impossible for the results to be ignored.

The OAS observation system was both the largest and the most pervasive of the various international efforts. It was supervised personally by Secretary General Baena Soares, who did not delegate his authority, but instead traveled repeatedly to Nicaragua to keep in touch with the many leaders involved.

The OAS established offices in all nine electoral Nicaraguan districts. This basic OAS infrastructure provided communications, housing, transport, data handling capabilities, and a parallel voting tabulation system nationwide. Beginning in August, 1989, personnel from the OAS Secretariat in Washington took turns in staffing the offices in Nicaragua.

Secretary General Baena Soares informed the Permanent Council that the success of the program was due to the trust extended it by the people of Nicaragua, to the high standards of the technical infrastructure the OAS put in place with support from the Pan American Health Organization (PAHO) and the Inter-American Institute for Cooperation on Agriculture (IICA), and to the support of OAS member states who provided observers, technical experts, and advisers.

The United States contributed key financing ($3.5 million) and technical advice. (Danny McDonald of the Federal Elections Commission was among the Secretary General's personal advisors, along with election tribunal members from Brazil, Costa Rica, and Venezuela). Last but not least, as noted earlier, Members of Congress joined legislators from other hemisphere countries as observers.

In response to requests from both incoming President [Violeta] Chamorro and outgoing President [Daniel] Ortega, Secretary General Baena Soares kept OAS observers in Nicaragua after the election. Meanwhile, he and UN Secretary General [Javier] Perez de Cuellar negotiated terms of reference for the joint Verification and Support Commission (CIAV) called for by the Central American presidents to verify compliance with the Tela and subsequent agreements. To assist with the voluntary demobilization, repatriation, and resettlement of the Nicaraguan Resistance, OAS–CIAV assumed responsibility for Nicaragua, UN–CIAV for Honduras and Costa Rica.

Participation in electoral observation and in the post-election transition subjected OAS staff members to numerous hardships, particularly in rural areas, but their common reaction was that in the wake of the demoralizing 30% reduction in force of early 1989, no better way could have been found to remind themselves and others of the fundamental mission of the OAS.

Human Rights

The independent OAS IACHR is the conscience of the hemisphere. OAS involvement in human rights is based upon the 1948 American Declaration of the Rights and Duties of Man and

the 1969 American Convention on Human Rights. The IACHR and the Inter-American Court on Human Rights (CIDH) give the OAS an active and at times forceful role in promoting and protecting human rights. Through both persuasion and published reports on human rights infringements, the commission has been instrumental in improving member government practices. On occasion it has directly helped resolve conflict situations.

Members of the IACHR are elected in their own right, not as representatives of governments. The autonomy of the commission is further enhanced by its prerogative to initiate human rights investigations without the approval of the Secretary General or the Permanent Council. A US citizen, John Stevenson, is currently one of seven commissioners; another US citizen is acting executive secretary.

The IACHR prepares an annual report with chapters on countries with human rights problems in general and on individual cases, as well as special reports. In its last 14 years, the commission has effectively challenged abuses in Panama, Nicaragua, Cuba, Chile, El Salvador, Guatemala, Suriname, Haiti, and Paraguay, among others. The 1989 special report on Panama was an important factor in galvanizing international public opinion against the Noriega regime. The IACHR also played a key role in the release of thousands of political prisoners in Nicaragua.

On February 23, 1990, the OAS Permanent Council adopted a resolution mandating an in situ visit on the human rights situation in Haiti. The IACHR visited Haiti April 16–20; its report will be part of a broad OAS and UN effort to support elections by the new Haitian government.

Other Key Activities

Drugs. The OAS Inter-American Drug Abuse Control Commission (CICAD) was established in 1986, first met in April 1987, and began its first activities in 1988. Under the leadership of Irving Tragen, an American citizen, the CICAD has overcome the stereotypes associated with labels such as "producing, transit, and consuming" countries and galvanized measures such as those agreed upon at Ixtapa, Mexico, last month.

CICAD's programs focus on regional approaches to legal development, public awareness, and prevention. One project seeks to mobilize private sector support for antinarcotics programs, another to enlist schools in preventing drug abuse, yet another to strengthen national and international law on seizure of traffickers' assets and control of precursor chemicals. In addition to support via the OAS budget, the United States has made several special grants. The Inter-American Development Bank (IDB), the European Community, and the Italian, Japanese, and Canadian governments are currently considering grants to CICAD.

Technical assistance. Responding to a major demand of less developed members, OAS programs train over 2,000 specialists annually (91,000 since its inception), primarily in the US but also at 23 inter-American centers. The United States continues to be the major contributor, but Argentina, Brazil, Mexico, and Venezuela have joined the United States as net donors. OAS feasibility studies for large-scale projects in regional development, environment, and education are endorsed and funded by the IDB. Wider recognition of OAS effectiveness has attracted contributions from nonmembers, including Spain, Italy, Holland, Israel, and France, anxious to take advantage of the favorable cost-benefit ratio achieved by the OAS. The OAS manages a major program of feasibility studies on modernizing telecommunications throughout Latin America and the Caribbean. The US private sector has also joined in. An International Business Machines (IBM) contribution of $1,500,000 (not including in kind contributions) has helped the OAS put together a highly sophisticated trade information program now at work facilitating an expansion of north-south trade.

Program development. The foregoing discussion illustrates the OAS's capacity to adjust priorities and institutional structure to meet changing demands and requirements. What is new is the Secretary General's success in mobilizing the other inter-American specialized organizations—PAHO and IICA—in joint efforts such as election monitoring in Nicaragua. The OAS, PAHO, and IICA are continuing their close cooperation with CIAV. OAS experts experienced in Nicaraguan conditions have prepared detailed projects for recovery in education, job training, health services, and agriculture.

Specialized organizations. The OAS directly supports:

- The Inter-American Defense Board (IADB), created during World War II to plan and coordinate collective hemispheric defense. It advises the OAS on defense matters, and has coordinated peacekeeping operations.
- The Inter-American Defense College (IADC) is supervised by and funded by the IADB. It strengthens military professionalism and augments US international military training programs. The college annually trains about 60 field grade officers, many of whom reach leadership positions in their respective services.
- The Inter-American Children's Institute (IACI) is concerned with problems of mothers, adolescents and families, including the growing number of "street children."
- The Inter-American Commission of Women (CIM) is concerned with women's rights and their integration into development and decision-making processes. CIM research and seminars have focused on women and politics (1988), women and employment (1989), and violence against women (1990).

Other organizations associated with the OAS are financed outside the OAS budget:

- The PAHO, with resources of $67 million (1988), has contributed significantly to protecting the United

States from communicable diseases and promoting improved sanitation and health conditions throughout the hemisphere.

• The IICA, with resources of $34 million (1989), has worked closely with the US Department of Agriculture in preventing threatening animal and plant diseases from entering the United States and in helping members develop food production.

• The Pan American Institute for Geography and History (PAIGH) has major geodetic and cartographic programs of its own and facilitates cooperative relationships between US agencies (such as the Defense Mapping Agency and the National Ocean Service of the National Oceanic and Atmospheric Administration) and other countries in such vital areas as safety of flight.

• The Inter-American Indian Institute (IAII) has been helpful in providing the US Department of Interior's Bureau of Indian Affairs with a vehicle for cooperation with other Latin American countries with major Indian populations.

Finally, one organization created and supported by the OAS receives financial support largely from US corporations and other private sources. The Pan American Development Foundation (PADF) is a Section 201(c)(3) entity with a subsidy from the OAS and some US Agency for International Development (AID) funds; corporate donors provide over one-half of its resources. It has channeled over $100 million from the private sector into development projects which mobilize private sector support in recipient countries.

The OAS and its specialized organizations frequently carry out programs for other organizations, such as the UN Development Program (UNDP), the UN Environment Program (UNEP), and the World Bank, on a contract basis. The OAS has received some $6 million annually in recent years for these purposes. External entities recognize the value of OAS management of technical assistance and its effectiveness.

The Financial Crisis Is Acute

A remarkable aspect of the enhanced role of the OAS in the past several months is that it took place despite serious underfunding. The US paid only $18 million of its 1989 assessed quota payment of $40 million to the OAS. (The US assessment for the OAS is 66%; the United States accounts for 85% of the total GNP of all OAS members.)

This caused a severe cash flow crisis which the OAS met by a 30% personnel cut in January 1989, combined with one-time reductions in program activities. From November 1988 to March 1989, 293 employees either resigned voluntarily (205), were on fixed-termed contracts allowed to lapse (76), or retired (12). The cuts, worked out in close cooperation with member states including the United States, fell roughly proportionately on nationals of all member countries. Total OAS personnel in 1974 numbered 1,577; by the end of 1989, the number was 654—a 55% reduction in 15 years. At present, the United States provides 14% of the entire OAS staff and 20% of its professionals—easily the largest national group among OAS personnel.

Despite these draconian cutbacks, arrearages and the consequent lack of reserves severely limit flexibility and threaten to undermine the work of the OAS on almost every front. For example, the $1.5 million the OAS has received for its work facilitating the peaceful demobilization and reintegration of the Nicaraguan Resistance will run out later this month.

Just last week, Assistant Secretary of State John R. Bolton told the House Subcommittee on International Organizations that "we must reestablish America's image as a credible, reliable participant in international organizations. To do so we must fully meet our financial obligations when they are due."

The Administration is asking the Congress for full funding of our FY 1991 quota assessment to the OAS as well as $38 million for arrears, which, if appropriated, would be paid in equal installments of 20% a year for 5 years. This would fulfill the Administration's determination to use multilateral diplomacy, where feasible and appropriate, to resolve regional problems and to engage our neighbors on topics of hemispheric concern.

Other countries are showing their commitment to the OAS. Argentina, Ecuador, Mexico, Paraguay, and Venezuela are all hosting important meetings this year. In September 1989, Argentina paid most of its $12 million arrears. This year, Canada's accession to the OAS in January was testimony to the benefits of membership and will further enhance effectiveness.

The Second Century

Imagine the number of vital issues, from drugs to economic development, from mutual security to the environment, on which progress would be more rapid if we succeed in building on a democratic foundation where the rights of individuals and of governments are not in conflict.

As the OAS enters its second century, one of its enormous strengths is that its membership is overwhelmingly made up of states that organize themselves in ways that are democratic. The test of membership is becoming democracy as well as geography. This is a stark contrast to the situation just a generation ago. Moreover, the flexibility of democracy is a strength that is vital to today's rapidly changing world. This hemisphere has come a long way in the evolution toward democracy and in the suffering that any evolution requires. Compare the odysseys of Argentina, Brazil, Chile, or Nicaragua in the past decade to those of the countries of Eastern Europe now beginning to face the problems of attempting to construct a democratic polity.

Our challenge, a very difficult but inspiring challenge, should be to make the second century of the OAS the century of democracy. Already others in the region see the need to reconcile the principle of nonintervention, one of the traditional cornerstones of the inter-American system, with the principles of self-determina-

tion and representative democracy, both of which are contained in the OAS charter and both of which have been given new urgency by today's needs. Speaking at a special session of OAS Permanent Council on April 27, 1990, President Carlos Andres Perez of Venezuela declared himself a convinced believer in "collective unarmed intervention for the positive and peaceful resolution of conflicts."

On March 28, 1990, Assistant Secretary of State Aronson was explicit to the Senate Foreign Relations Committee: "The conventional wisdom holds that our historic mistake in Latin America has been interventionism. I would argue the opposite is true. Our historic mistake—when we have made mistakes—has been to fail to rally early and boldly and effectively to support and extend democracy in its hour of need."

The Organization of American States already serves as the basic sounding board of the western hemisphere. As an association of sovereign states, its structure makes it an inherently democratic sounding board. The OAS has no privileged members, no security council, no vetoes. Every member has one vote, the same opportunity to be heard. Visitors to OAS Permanent Council meetings sometimes comment that they can seem almost familial in spite of their formality. And that is another strength. Even with the entry to membership over the past generation of a dozen countries of the Commonwealth Caribbean, OAS membership is still small enough to be manageable. No one need be silenced in the name of efficiency. The OAS is the natural forum to turn democracy in individual countries into democratic solidarity as a source of hemisphere-wide strength.

Still Far to Go

For some years, important issues have been considered outside the OAS—or not considered at all. Now 100 years old, the inter-American system is turning a corner, and there is an exciting new focus for the 1990s and beyond:

- Promoting and assisting democratic transitions and strengthening democratic institutions are now a prime concern of the OAS.

- The IACHR—the most respected human rights organization of any multilateral body—must continue to keep human rights at the center of the hemisphere's collective conscience.

- In the drug wars, the OAS is strengthening multilateral cooperation and breaking new ground, most recently in precursor chemicals and money laundering. As President Carlos Salinas de Gortari of Mexico told the OAS ministerial conference 2 weeks ago, "We are encouraged by the spread of a generalized awareness that we have a common enemy and by the emergence of a balanced and mature vision of how to attack it internationally."

Similar cooperation is foreseeable in other areas:

The environment. The June 1990, OAS General Assembly will consider a proposal to create an "Inter-American System for Nature Conservation." Because of the great interest in environmental issues among member countries, the General Assembly might decide to call a specialized conference of experts to develop a program of action.

Education. Democracy, economic development, and cultural sensitivity require substantial investments in education. The social, economic, and educational problems which cause so many young people to drop out of school waste human potential. Curricula need to be redesigned and teachers retrained. OAS multinational programs in basic education and education for work provide mechanisms for all member countries to share successes and to avoid repeating costly mistakes.

Integration. The Caribbean, Central America, the Andes, the Rio de la Plata area—the Americas have long been differentiated into natural subregions. So long as governments were despotic, so long as frontiers meant boundary disputes, and so long as individual countries could attempt to cut themselves off from progress, integration remained a dream. The spread of democracy gives the OAS new vigor as a forge of common consciousness and regional and subregional cooperation.

The OAS is by definition not a single-issue or single-country organization. But all these areas—plus the important work in trade promotion and democratically focused military education and training—are of deep national interest to the United States. All require positive, practical, productive, and patient contributions if we are to deal with the issues of the next century in a manner befitting the potential of the new world. ■

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President Bush

Current
Policy
No.1288

Enterprise for the Americas Initiative

United States Department of State
Bureau of Public Affairs
Washington, DC

Following are remarks by President Bush before administration officials and members of the business community, Washington, DC, June 27, 1990.

Thank you all very much for coming to the White House. It is my pleasure to welcome so many distinguished guests with such strong interests in the vital Latin American and Caribbean region.

In the past 12 months everyone of us, from the men 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. 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 toward completion. 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 peoples' 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 approaches 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 meeting convinced that the United States must review its approach not only to that region but to Latin America and the Caribbean as a whole. I asked Treasury Secretary Brady to lead a review of US economic policy toward this vital region, to make a fresh assessment of the problems and opportunities we'll encounter in the decade ahead. 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 toward a new economic partnership because prosperity in our hemisphere depends on trade, not aid. 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 1990s—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 hemisphere-wide 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 debt—the burden of debt—a new approach to debt in the region with important benefits for our environment.

Trade

In the 1980s, trade within our hemisphere trailed the overall pace of growth in world trade. One principal reason for that: over-restrictive 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 and that is now gathering forces in the Americas.

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

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 fair play. 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. 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 United States 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. The first step in this process is the now-announced free trade agreement with Mexico.[1] 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 toward 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, a new market for American products and more jobs for American workers.

A new leadership has emerged, backed by the strength of the peoples' mandate—leadership that understands that the future of Latin America lies with free government and free markets.

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.

Investment Reform

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 red tape 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 (IDB) 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 United States 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.

Easing the Debt Burden

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 (IMF) 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

[1] On June 11, 1990, Presidents Bush and Salinas endorsed the goal of a comprehensive free trade agreement between the United States and Mexico. The presidents have directed their trade ministers to undertake the consultations and preperatory work needed to initiate such negotiations and to report back to them before the two presidents' next meeting in December 1990.

private financial institution—the burden remains heavy. And today, across Latin America, official debt owed to the US Government amounts to nearly $12 billion, with $7 billion of that amount in concessional loans. 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's 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.

Strengthening Environmental Policies

These actions will be taken on a case-by-case basis. One measure of prosperity in 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 US 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 Amazons, 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.

Conclusion

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 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. ■

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Lawrence S. Eagleburger

Current
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No. 1283

An Agenda to Promote Inter-American Cooperation



United States Department of State
Bureau of Public Affairs
Washington, DC

Following is an address by Deputy Secretary Lawrence S. Eagleburger before the General Assembly of the Organization of American States in Asuncion, Paraguay, June 5, 1990.

Let me begin by expressing my sincere appreciation and praise to you [the assembly president, Paraguayan Foreign Minister Luis Argaño] and your government. Appreciation for your generous hospitality and for the highest standards that have characterized the organization of this assembly. Praise for your country's struggle to realize democracy's full promise. Please convey to President [Andres] Rodriguez our deep respect and support.

This, the 100th anniversary of the Inter-American system, is a historic occasion that comes at a time of revolutionary change throughout the world. We find ourselves in the midst of one of those revolutionary outbursts that, as in 1830 and 1848, occasionally have punctuated the course of human events. But there is a difference: the revolution underway today, for the first time in history, is occurring on a truly global scale.

This global revolution has one universal and defining feature: the democratic form of government has come to be recognized as the embodiment of political legitimacy. It is not a revolution that has been imposed from without; rather, the democratic idea has become irresistible precisely because it is now an indigenous force the world over, from Poland to Paraguay, and from China to Chile. It has not triumphed everywhere, to be sure; not all men and women today live under freedom and democracy. But we have reached the point where all are demanding to live under freedom and democracy as their God-given right. Democracy's ideological foes, on the left and the right, have been discredited. The political and economic systems they fashioned stand today in ruins. The Western Hemisphere can justly take pride in having launched the epochal worldwide transition from dictatorship to democracy, first in Argentina, Brazil, Bolivia, and Ecuador, and lately in Chile, Panama, and Nicaragua. Think of the open wounds that still festered in our midst when this assembly last met only 7 months ago, and you will realize how far we have traveled toward achieving an unprecedented degree of mutual respect and common purpose among the nations of this hemisphere.

The attention of the world has been drawn in the last year to a similar transformation in Eastern Europe. I know that many in Latin America wonder whether we have become unduly preoccupied with the revolutionary saga now unfolding in the old world. Yet it should be remembered that the United States has been deeply involved in Euro-

pean affairs for the last 50 years. We have been so engaged because it was there that two systems and two military alliances stood poised on the brink of conflict and where the fate of humanity hung in the balance. I know that our friends in this hemisphere will understand and support our continued engagement in Europe to assure that the Cold War is brought to a peaceful and successful conclusion. Surely this is a responsibility we must bear, not only on our own behalf, but in the broader and common interest of all mankind.

The Twin Revolutions

The United States has another, equally compelling responsibility—and that is a responsibility to what [Bolivian] President [Jaime] Paz Zamora so movingly described yesterday as our common home, "El Hogar de las Americas." We are, first and foremost, citizens of the Americas, and we fully recognize the significance of the fact that, as President Paz noted, two revolutions have taken place in Latin America, one political and one economic. The conversion of almost the entire hemisphere to representative government and to the principles of rational economic management opens up the possibility of closer ties than we have ever enjoyed between ourselves and our Latin neighbors. It is no accident that President Bush, whose keen interest in Latin America is a secret to no one, asked Ambassador [Carla] Hills to represent him at this historic gathering. The world into which we are moving is one in which national security will be defined less in terms of military strength than in terms of economic well-being. Increasingly, the weapons of war will give way to the building blocks of economic integration and interdependence—trade and investment.

The facts speak for themselves. Any concern about where US interests and attention lie must be weighed against the fact that our two-way annual trade with Latin America today exceeds $100 billion, and that US investment in the region is in excess of $50 billion. In a hemisphere in which we have been engaged, through this organization, for 100 years, it is simply inconceivable that we would turn our backs on our fellow American states. It is equally inconceivable that five nations in the heart of Europe could substitute, in our minds, in our commercial, political, and security relationships and, indeed, in our sympathies, for our many friends in this hemisphere.

There is, however, another factor at work today that, although imperceptible to most observers, already has begun to transform the nature of the relationship between my country and the nations and peoples of the Americas. For what the United States is seeking to accomplish in Europe today and what, I am confident, we will accomplish, is really the closing of an old chapter. It needs to be recognized that if we are successful in this endeavor to end the Cold War once and for all, we will have opened a new chapter in foreign policy of the United States, one in which our attention and our energies inevitably will be drawn toward building, in partnership, a Western Hemisphere of freedom, peace, progress, and prosperity.

Ladies and gentlemen, the ties that bind my country to the nations of this hemisphere—ties of history, geography, and natural affinity—are great indeed. For more than 200 years, we have been the champions—imperfect champions—of democracy. Now that our democratic ideals are triumphing, we face—all of us in this hemisphere face—the monumental challenge of making those ideals work in practice. For the first time, working in partnership with one another and through the Organization of American States [OAS], we, the nations of the Americas, have a unique opportunity to fashion a diplomacy among democracies in pursuit of the consolidation of democracy. The revolutionary changes through which we are passing will require more, not less, of this organization.

The framers of the OAS Charter were forward-looking and visionary. Our charter is not a timid document committed to the status quo. If we are true to its purposes and to our vast potential as a regional community, we will endeavor together:

- to forge our rightful and progressive policy in a world liberated from the authoritarian state and the command economy, taking advantage of increasing global interdependence and competition for markets.

- to address the underlying causes of outstanding conflicts and defeat new threats to peace, such as those created by the traffic in illicit drugs; and

- to cooperate to preserve the natural resources of this hemisphere.

An Agenda for the Future

One hundred and two years ago, US Secretary of State [James] Blaine issued a call for an inter-American Congress and declared the willingness of the United States to "enter into the deliberations of the Congress with the loyal determination to approach any proposed solution . . . as a single member among many coordinate and co-equal states." At

that first Inter-American Conference, the United States made eight proposals. To mark that historic occasion, I would like today to propose a new agenda of eight points with the hope that together we may open a new century of inter-American progress.

First, we should recommit ourselves to the OAS as the natural forum for hemispheric dialogue.

The hemisphere is stirring with new life. The OAS must harness its energy, broaden its scope, and deepen its impact. Already, the OAS is showing new strength and demonstrating its great potential. Secretary General [João] Baena Soares is leading a critical OAS contribution to the delicate equilibrium of peace, national reconciliation, and demobilization in Nicaragua. The CICAD (OAS Drug Abuse Control Commission) is in the vanguard of international efforts to combat the traffic in illicit drugs. The Inter-American Commission on Human Rights is forging a new regional consciousness.

For a decade, however, the OAS has been hamstrung by lack of resources. Many members, including the United States, have fallen behind in their payments. Last year the Secretariat was forced to release almost one-third of all personnel. The OAS has become dependent on special voluntary contributions even to support peace in Central America.

This General Assembly has the duty of developing a consensus on a new quota system that will distribute the organization's costs equitably. For my part, I can inform you that the United States shortly will pay more than $20 million to the OAS. With other US payments this year, this means that the Secretariat will have the money it needs to work more effectively for us all. For Fiscal Year 1991, President Bush has requested the money to begin paying US arrearages as well as the full US assessment. Congressional attitudes toward this request will be significantly affected by our success in developing a new quota system.

Second, the consolidation of democracy must be at the top of our agenda.

The great democratic revolution that is sweeping across the Americas has created, fortuitously, the conditions under which we can begin to act as a community that is both sovereign and democratic and, thereby, transcend over time an issue that long has driven this hemisphere and this organization. Building on the OAS Charter's call for a "land of liberty," we can create a "system of liberty." We can, in short, now develop systematic means of ensuring democracy's future in the fullest conformity with the hallowed principles of this organization.

We are on the right track. The OAS observation mission in Nicaragua made an invaluable contribution to a peaceful, democratic transition. It demonstrated the organization's effectiveness, the dedication of its personnel, and the competence and vision of its leadership.

Today, we in the OAS cannot be indifferent or settle for halfway measures when our Haitian brothers and sisters are asking for our help. We must do everything we can to heed Haiti's call for electoral assistance. To aid responses in such cases, the United States supports the Canadian initiative urging the Secretary General to create a permanent institutional mechanism to coordinate OAS support for democracy.

Third, human rights must remain at the core of our cooperative efforts. At its 30th anniversary last year, Secretary Baker saluted the Inter-American Human Rights Commission as a pioneering organization. It is a well-established, experienced, and unique body, rightfully called the "conscience of the Americas." The United States encourages the commission to expand its activities to include technical assistance and training.

Fourth, we must unleash the hemisphere's economic potential.

The triumph of democracy has handed us a unique and historical opportunity to reduce longstanding political and security challenges in this hemisphere to manageable challenges of an economic nature. We must not squander this opportunity, and risk seeing the re-emergence of old security challenges by allowing the economic problems that brought down Marxists and dictators to undermine the stability of their democratic successors. Our new democratic order will be blessed with peace and stability only if the fruits of democracy—growth deriving from a free market economy—are available to all.

In just six months, the Uruguay Round of the GATT [General Agreement on Tariffs and Trade] will conclude. We must continue to more toward more open and liberal trading practices. The cost of economic autarky is isolation, stagnation, and decline. Wide-ranging participation in the global economy does not exclude greater regional integration. Our objective must be to increase trade among ourselves even as we work together to open up trade opportunities throughout the world.

We in the United States applaud the courageous efforts underway throughout the region to increase Latin America's global competitiveness. We believe the hemisphere cannot afford to lag behind the free-market revolution if it is to survive and to flourish economically in a

world where competition for capital is growing more intense. For our part, we pledge to redouble our efforts to confront and defeat protectionist pressures in our country. We will not counsel freer trade in the Americas while permitting new barriers to trade to arise in the United States.

Fifth, we must commit ourselves firmly to the rule of law. I am referring here not only to this organization's traditional stance against the governmental abuse of freedom but, more particularly, to the emergence of transnational threats to our democratic form of government and to our national sovereignty. Clearly, the most immediate threat to the rule of law today comes from the drug cartels. When we contemplate the great toll in human lives and the frontal assault on the rule of law carried out daily by the drug cartels, we should rise as one in indignation. And we should rise in homage to the people of Colombia who last week again defied the cartels to elect a new president in free, multi-party elections.

In February, the summit attended by the presidents of Bolivia, Colombia, Peru, and the United States gave birth to a powerful new anti-drug consensus. In April, the CICAD brought together attorneys general and ministers from throughout the hemisphere to press for ratification of the 1988 UN Anti-Narcotics Treaty and approve model legislation to control chemicals and machines used in the manufacture of cocaine. Last week, CICAD developed the first international program of action for education to prevent drug abuse.

The United States supports CICAD's vital work, including its new experts group to develop model legislation to stop money laundering and to seize illegal assets.

Sixth, we must ensure that we bequeath to future generations a hemisphere that can sustain human life — our children's lives.

Exploiting nature is necessary to mankind's progress; preserving nature is necessary to mankind's survival. We have a common stake in the prudent use of our environmental assets—air, water, plant, and animal life. As with the war on drugs, no one nation can defend the earth in isolation.

The United States believes this General Assembly should use the Secretariat's proposal on an "Inter-American System for Nature Conservation" to develop an action program by the next General Assembly. The OAS clearly has a vital role to play in the environmental arena. We recognize that this issue is particularly sensitive. Therefore, we ought to be examining ways in which we can address those sensitivities and do whatever is in our power to preserve the patrimony of generations yet to come.

Seventh, we must make the substantial investments in education needed to support democracy and human development.

Education is clearly a matter that is closely linked to the hemisphere's economic future and the viability of its democratic institutions. Last year, here in Asuncion, ministers of education discussed informatics [information science] as an educational tool. We believe that the Secretariat for Education, Science, and Culture should take advantage of its regional outlook and multilateral experience to propose a strategy for enhanced cooperation.

Eighth, we must find in ourselves the impartiality and constancy that are essential to the peaceful resolution of conflicts.

From the earliest inter-American plan for arbitration to today's OAS efforts in support of national reconciliation in Nicaragua, the need for active, collective involvement in the making of peace has been an essential and widely accepted purpose of our cooperation.

Recently, OAS support of the Central American peace process has deserved our full support. OAS work in Nicaragua, first on elections and now on national reconciliation, is making clear the links between peace, democracy, and development. We call upon other members of this body to join us in making voluntary contributions to support the OAS in Nicaragua, and we urge OAS members to contribute to the Donors' Conference on Nicaragua that starts in Rome tomorrow [June 6, 1990].

We express our gratitude to the Secretary General for his leadership and urge him to intensify his efforts in El Salvador to promote peace on the basis of constitutional democracy, impartial justice, and full respect for human rights.

It is important to note as well that ONUCA [United Nations Peacekeeping Force in Central America] is providing a stabilizing external presence today without which the joint efforts of the OAS and the UN in Nicaragua would be jeopardized. We are pleased that Venezuela, a member of the OAS, is contributing a reinforced battalion to ONUCA. At the same time, we note the absence of contributions by member countries through the OAS as such. My government does not have a specific proposal but would welcome a review of how we might most effectively utilize existing OAS institutions, such as the Inter-

American Defense Board and the Inter-American Defense College, in ways supportive of peace and democracy in the hemisphere.

A Call to Action

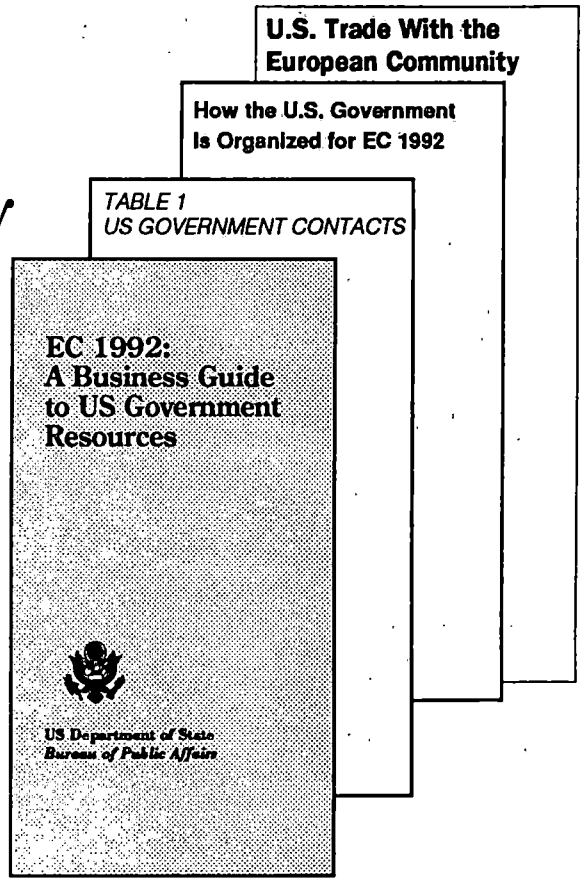
The late president of Colombia and secretary general of the OAS, Alberto Lleras Camargo, said of the OAS in 1954 that, "It is what the member governments want it to be and nothing else . . . the weaknesses of the organization, if it has them, are weaknesses of the governments; weakness in their capacity to act in coordination and jointly with each other. The strength of the organization, when it is evident, lies precisely in the action of the governments." United by the practical commitment to democracy, our governments are developing a working partnership. Partners approach each other freely and as equals, with mutual respect. Partners look to fix problems, not to affix blame. Partners accept the notion of co-responsibility. And when they disagree, they air their dialogue openly.

A heavy responsibility weighs upon this generation in the Americas. The dreams and aspirations of our forefathers for a hemisphere united in a universal commitment to democracy are finally on the verge of being realized. But history is no friend of the status quo; our democratic triumph will be short-lived if we do not meet the challenge now of making democracy work. We in the United States believe that our national well-being is linked to the successful consolidation of democracy and the emergence of genuine prosperity throughout Latin America. we believe that through our collective efforts we can defeat the threats to democracy—drugs, debt and underdevelopment. We can do so, above all, by tapping fully the great potential of our unique hemispheric asset, our privileged forum for dialogue, cooperation, and collective action—the Organization of American States. ■

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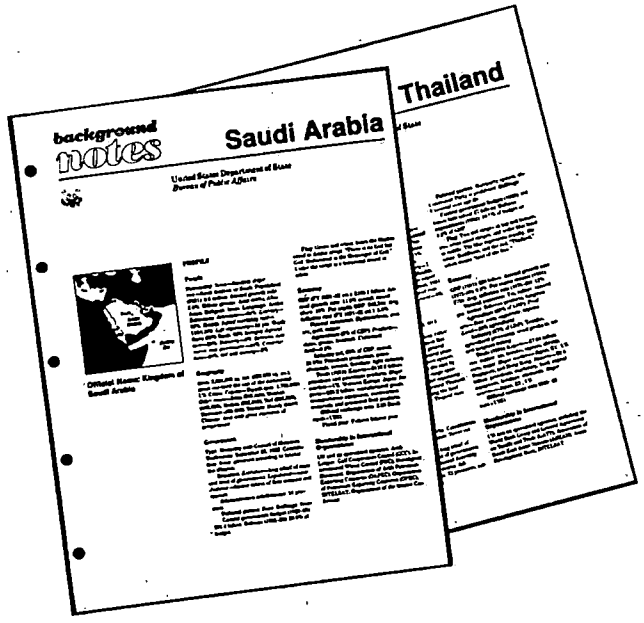
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Latin America's Year of Freedom

United States Department of State
Bureau of Public Affairs
Washington, DC

Following are remarks delivered by President Bush to the Council of the Americas, Washington, DC, May 22, 1990.

[Introductory remarks deleted. . .]

I am pleased once again to speak to this most influential group—pioneers in the private-sector effort to expand trade and investment between the United States and Latin America. And I am delighted to address this gathering after what has been a remarkable year of change.

Over the past 12 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 [and] concern that our active involvement in Europe will mean a decline in US interest in Latin America.

I am here today to assure you, just as I have assured the many Latin American leaders I have met with, that the events of the past year have increased US interest in this region—strengthened our desire to forge a new partnership with the growing forces of freedom in Latin America. Because the fact is, the great drama of democracy is unfolding right here in our own hemisphere.

Think about the tremendous gains made for freedom this past year. When I spoke here last May, the people of Panama were preparing to go to the polls—even as the dictator of Panama was preparing to steal the election. In Nicaragua, civil war raged, the Sandinistas ruled, and the brave men and women of the Nicaraguan opposition were just beginning the long campaign that led to this year's great victory for democracy.

In Central America: Nicaragua and Panama; in South America: Paraguay and Chile, all across the Americas, today more people live under freely elected governments than ever before, and we are closer than ever before to the day when all the people of the Americas, North and South, will live in freedom.

Even in Haiti, the scene of so much human suffering and anguish and turmoil, the provisional government has now announced its intention to hold free elections. This Thursday [May 24], I will be meeting at the White House with the new leader of Haiti [Ertha Trouillot], where we are sure to discuss ways we can support democracy in Haiti. In all of Latin America, only Cuba—Castro's island—remains isolated, out of step with the democratic tide. But today we are celebrating the anniversary of Cuban independence. Let me say with certainty that even in Cuba, the dream of democracy can only be pushed back a little, only be deferred—it will never be destroyed.

As we in the United States welcome our Central and South American neighbors into the ranks of democracy, we must offer them our

help and something more; we must offer them our respect, the respect due one free nation from another, and the outstretched hand of partnership.

I have been working to strengthen our ties. Just this year alone, I have met with Presidents Barco [Colombia], Paz [Bolivia], and Garcia [Peru], at the Andean drug summit in Cartagena. . . . Here in Washington, I have hosted Presidents Perez [Venezuela], Paz Zamora, Cristiani [El Salvador] and Endara [Panama], Collor de Mello [Brazil], Calderon [Costa Rica], and Callejas [Honduras], and Prime Minister Manley [Jamaica]. In each case, I have 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 United States is engaged as never before in the future of this hemisphere.

Democracy and Development

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, true free enterprise did not exist. In practice, economies were often 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 what he calls the "informal sector"—the thousands of independent and enterprising individuals doing business 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 and Bolivia, in 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 and as they reap the rewards that will follow this—I would say what will certainly be a painful transition—these nations will bring others in their wake.

We in the United States 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. We know that since the late 1970s, Latin America's share of all US trade dropped from 10% of all US exports, down to 7%. And yet last year, for the first time ever, two-way trade between the United States and Latin America topped $100 billion. 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: Last year, the Colombian economy grew 3%; US exports to Colombia rose 9%. Mexico's economy grew 3%, and US exports to that country climbed 21%. In Chile, with an overall growth rate of 10%, US exports increased by triple that rate—more than 30 percentage points.

The most effective way to ensure expansion of trade between the United States and Latin America is for all countries of the hemisphere to support a successful Uruguay Round. The ambitious agenda in the Uruguay Round, including proposals for significant multilateral tariff reductions, will benefit our Latin American trading partners. We are committed to the expansion of trade and investment liberalization, and we seek Latin American support for these very important objectives. In addition, the strengthened debt strategy launched last spring has reinvigorated market-oriented economies and reinvigorated the reforms in Latin America. These economies help provide the needed foundation for democracy itself.

That's why I am 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 agreements with their creditors on ways to reduce their debt; ways to complement their efforts to restructure their economies along free-market lines. Because in the long term, the free market remains the only path to sustained growth.

Role of the Private Sector

We all know the private sector plays a crucial role. Taking advantage of new investment opportunities is good for business, but at this critical moment there is something beyond the bottom line; something that cannot be measured simply in terms of GNP. The role the Council of the Americas can play—expanding trade and strengthening the private

sector—contributes not only just to economic growth but to the growth of democracy itself.

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 have called on Congress to provide $800 million in emergency economic aid to Panama and Nicaragua. We have a big stake in this. This aid is critical. A little over a week ago, I received a letter from President [Violeta] Chamorro—just weeks into her term in office—telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill. To give you an idea of the magnitude of this problem, in March, I requested $800 million for Panama and Nicaragua, asking that this bill be finished April 5. It is now May 22, and the funds for Panama and Nicaragua have been reduced by $80 million—even though $1.4 billion in extra spending has been added.

Finally, it appears the Congress may act this week on this vital measure. For the people of Nicaragua and Panama democracy hangs in the balance. So let me say to the Congress: The fate of freedom rests in your hands. Do the work of democracy—and pass this emergency aid package now.

Personal Stories of Freedom

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 or 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 will close with three from one country alone, Latin America's newest democracy, Nicaragua.

• For 4 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, Mr. 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 6 months in prison. Today, Myriam Arguello is president of Nicaragua's freely elected national assembly.

These three stories underscore in personal terms the truly revolutionary political change that has 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. Please keep up—more than ever—your important work in guaranteeing that democracy succeeds in this precious hemisphere of ours. ■

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OPENING ADDRESS BY
LAWRENCE S. EAGLEBURGER,
DEPUTY SECRETARY OF STATE
at the Washington Conference of
The Council of the Americas
May 21, 1990

Ladies and Gentlemen, I am delighted to be here with you this morning. I must confess, however, that I am somewhat baffled at David Rockefeller's and George Landau's invitation to appear before the Council of the Americas. I am, of course, flattered that they would want to hear about new and invigorated U.S. policy directions in Latin America from a Cold Warrior in a wheel chair. On the other hand, I do not believe they expected me to give my usual stump speech -- no pun intended -- on Eastern Europe. I suppose the Council felt they needed to beef up, as it were, their lineup of speakers, since you otherwise would be hearing only from Bob Mosbacher, Alan Greenspan, and the President -- not to mention Assistant Secretary Aronson, who will speak next, and whom I see has modestly assigned himself the task of discussing "U.S. Relations with the Western Hemisphere."

That may not leave much ground for me to cover, but in all seriousness, while it is true that I have been busy with the job of coordinating U.S. assistance to Eastern Europe, I have also devoted a good deal of attention to hemispheric affairs. I will, for example, hobble off to Paraguay in early June to attend the annual session of the OAS General Assembly. I care deeply about U.S. relations with Latin America, and very much believe that those relations will grow ever more important to us in the years ahead.

I have been asked to say a few words to you about how the Administration views Latin America in a global context, especially in light of the revolutionary changes that have been occurring in Europe and elsewhere over the past year. It will come as no surprise to you for me to say that American foreign policy has been largely focused over the past year on events in Eastern and Western Europe. The prospect of ending the Cold War is, quite simply, of immediate and overriding strategic importance to the United States. Europe is where we have fought two great wars in this century, and where we have stood face to face with the Soviet Union on the brink of thermonuclear war for the past four decades and more.

It is, therefore, only natural that we should spend considerable energy in the near term on creating a new and stable security order in Europe -- a new order that will, hopefully, keep the peace there for generations to come. And part of that effort, quite obviously, entails doing all that we can to make the transition to democracy and free markets in Eastern Europe a successful one. We do not want to win the Cold War only to lose out in the perennial struggle to prevent Eastern Europe from becoming once again an unstable power vacuum and object of geopolitical rivalries.

At the same time, however, what we are attempting to achieve in Europe today is in essence the closing of an old chapter. The new chapter in our foreign relations which we are about to open, while certainly not ignoring Europe, will be qualitatively different in several respects.

First, assuming we are successful in closing that old chapter, our foreign policy will be much less oriented towards the East-West divide, which we hope, like the Berlin Wall which symbolized it, will be consigned eventually to the dust-bin of history. Second, the end of the Cold War should bring with it, to the maximum extent possible, a "de-militarization" of international relations. Military rivalry and the arms race which fuels it ought to be supplanted by peaceful economic competition.

No one has ever accused me of being a dewy-eyed optimist. I have been warning for some time now that we need to be aware that the decline of the Soviet threat could, if we are not careful, diminish the commitment of the major Western nations to the collaborative trade and economic policies which have been so responsible for our peace and prosperity in the post-war era. Our great achievement over the past year -- and it is the culmination of forty-five years of American and Western foreign policy -- has been to reach the point where profound and intractable security challenges are well on the road to being reduced to challenges of a political or an economic nature. But we need to remember what the history books tell us, which is that economic problems themselves can contain the seeds of instability and potential conflict.

Thus, we cannot afford to rest on our laurels -- not in our relations with our Western partners, where we will have to avoid the kind of autarky, protectionism and regionalism which prevailed in the 1930s; not in Eastern Europe, where we must contribute to the emergence of strong and prosperous states that will form a bulwark of stability; and not in Latin America, which, as a result of the revolutionary transformation in East-West relations is going to occupy a place of first importance in American foreign policy as we approach the 21st century.

This will be the case first of all because of strictly "selfish" economic reasons. The fact of the matter is that, in the post-Cold War era, our national security will be increasingly a function of our economic well-being, which in turn will be dependent on our international competitive position in a more highly integrated world economy. Our trade with Latin America, in short, will increasingly be seen as a vital national interest. It is an interest, however, which will continue to be threatened so long as the region remains mired in debt, unable to buy our products or redeem liabilities to U.S. financial institutions.

Second, we are witnessing the emergence of a host of "transnational" issues and problems which pose direct threats to our national well-being and security, and whose solution is dependent on cooperation with our Latin American partners. I am thinking not only of drugs but also of threats to the environment in this hemisphere, as well as to unregulated immigration flows.

Third, there is the undeniable fact that the population of the United States is becoming more Latin and more Latin-oriented. For all of our stake in peace and stability in Europe, we know that our West European friends will have primary responsibility for integrating the newly democratic regimes in the East, whereas our energies will be increasingly and inevitably drawn towards our own hemisphere -- an area which is a natural place for U.S. economic cooperation.

The point I made earlier about our success in an East-West context of transforming security challenges into political and economic ones, is no less true in this hemisphere, just as our stake in preventing the re-emergence of old security challenges here is no less great than it is in Europe. Certainly the example of Panama and Nicaragua is a good one. When you think of how much the United States has invested in treasure, lives, and political capital over the past decade to obtain the historic successes we have achieved in those two countries, it boggles the mind that Congress continues to dilly dally as it has in appropriating the modest but urgently needed funds to consolidate the victory of democracy there.

My purpose today is not to bash the U.S. Congress -- although there are some in that body who deserve it. Nor is it to focus on the ever-contentious Central American portfolio. However, Panama and Nicaragua are, in an important sense, metaphors for the kind of challenge we face throughout the hemisphere, the challenge of making democracy work. A lot has been made of the fact that the worldwide trend towards democracy actually began in Latin America in the early 1980s,

and that, for perhaps the first time in history the entire hemisphere -- with two notable exceptions -- is now in democratic hands, and is united ideologically. We need to be aware, however, that democracy will rest on fragile ground for as long as the dire economic conditions which brought down Marxism and dictators hang, like a sword of Damocles, over their democratic successors.

In other words, our ideals have triumphed in Latin America as in Eastern Europe, but those ideals will now be put to the test. We believe that peace and stability will result from a democratic world order, but only if the fruits of democracy -- growth deriving from a free market economy -- are available to all. We are greatly encouraged that the political leadership in Latin America -- in Mexico, Brazil, Argentina, Venezuela, Chile, Bolivia, and elsewhere -- is now committed to privatization and wholesale economic reform. To the extent that these reforms are fully implemented, we in the United States are going to have to exercise an equally courageous leadership of our own.

I am not here to unveil any kind of initiative today. But it is clear that we are going to have to move in the direction of opening up trade further in this hemisphere, and that will mean fighting protectionist sentiment at home and abroad. We will also have to move in ways that boost the flow and transfer of investment and technology in the region. Lastly, building on our current strategy, we will have to examine new and creative approaches toward solving the debt problem.

Our ability to assist in the economic recovery of Latin America will be directly related to the continued process of meaningful economic reform. In this respect as well, Latin America and Eastern Europe are not different. In the 1970's we made the mistake in Eastern Europe of throwing money at the region's problems. We will not make that mistake again; to do so would only serve to postpone the implementation of reforms which are as painful as they are necessary. As Carlos Menem put it in April, if the debt burden were to disappear suddenly and yet the economic policies of the past were to continue, "we would continue in the same situation of unemployment and disaster." Statist and protectionist policies must be fully rolled back, and the door must be opened wide to the reciprocal flow of trade and to the flow of investment. This is not a prescription made in Washington; it is a fact of life. If the door is not opened wide enough, it is certain that in a world where competition for scarce capital is growing more intense, investment will go elsewhere.

In conclusion, let me emphasize that while we are very much preoccupied with bringing the Cold War to a successful conclusion, we also recognize that Latin America must be a priority for us in coming years. And yes, we do have serious budget difficulties and our first duty in the wake of the Cold War will be to put our own economic house in order. As I have explained to you this morning, however, we realize that our economic health, and, ultimately, our national security, will be tied to the successful consolidation of democracy and the emergence of genuine prosperity throughout Latin America. And if, as I have indicated, trade, investment, and technology will be the weapons of choice in our struggle for our ideals in this hemisphere, then American business will clearly be called upon to play a principal, if not the leading, role on our behalf.

A quick reference aid on U.S. foreign policy

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Debt and Growth in Latin America and the Caribbean

Background

Latin America underwent a profound recession in the 1980s. After vigorous expansion in the 1970s, when annual per capita growth rates averaged 3.6%, per capita gross domestic product (GDP) fell 8.3% between 1981 and 1989 (all 1989 figures are preliminary). These statistics, compiled by the UN Economic Commission for Latin America and the Caribbean, mask wide variations from country to country. Per capita GDP of oil-exporting countries declined more than 14% during the period; oil-importing countries generally experienced a cumulative decline of 4.8%. Only Colombia, Chile, Barbados, and the Dominican Republic had positive per capita growth.

Debt-Related Problems

Revitalization of growth in Latin America is complicated by severe, debt-related problems. In 1989, Latin America's external debt totaled more than $416 billion, about 40% of the total indebtedness of all developing countries. Interest payments alone absorbed some 30% of export earnings (this ratio would be higher except for substantial arrears built up by some countries).

While debt is a serious problem and debt service a heavy burden to Latin American developing countries, inappropriate domestic economic policies have been the principal cause of constraints on economic growth and development. Lack of confidence resulting from such policies as overvalued exchange rates, price controls, wasteful government spending, and overregulation has dried up domestic savings and investment, discouraged foreign investment, and led to huge capital flight in many countries. Total capital flight for Latin America is estimated conservatively to be in excess of $240 billion since 1977. Adverse external economic developments, especially higher interest rates in the early 1980s and commodity price fluctuations, aggravated the resulting deficits in the borrowing countries' balance of payments.

In March 1989, the US announced several proposals to strengthen the international debt strategy by encouraging voluntary, negotiated debt and debt service reduction as a complement to commercial bank lending, domestic and foreign investment, and return of flight capital in middle-income debtor countries. These measures support policy changes needed for sustained growth and improved living standards for the people of Latin America and the Caribbean.

Economic Stabilization and Structural Adjustment

Debt problems have forced governments to realize that they cannot sustain large fiscal deficits indefinitely through excessive borrowing or monetary expansion. Recognition is growing in Latin America that private initiative and private savings and investment must be stimulated if there is to be hope for sustained growth. As a consequence, most countries in the region now are undertaking economic adjustment efforts supported by international financial institutions and creditor countries, including the US.

In the last few years, many Latin American governments have begun to move away from the excessive government control, market intervention, and import substitution strategies that they have relied upon for decades. Most have moved to adopt more realistic exchange rates, expand exports, and cut inflation. Average regional inflation fell from an initial peak of 275% in 1985 to 65% in 1986, but recent dramatic surges in inflation in such countries as Argentina, Peru, and Brazil pushed the regional inflation rate to almost 1,000% in 1989.

Of even greater importance for the longer term, many governments are beginning to lower structural barriers to growth. They have taken steps to reduce price controls and subsidies, liberalize trade, attack overregulation and excessive bureaucratic controls, and improve the investment climate, including removing some restrictions on foreign private investment. For example, Chile, Mexico, Costa Rica, and Jamaica have made great strides toward more market-oriented economies and more open trading regimes. Bolivia, Colombia, Guatemala, Uruguay, and Dominica have undertaken impressive reforms. Venezuela, Paraguay, Trinidad and Tobago, El Salvador, and Argentina have initiated similar adjustment efforts. Several countries have recognized the heavy burden of

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March 1990

inefficient and highly subsidized public enterprises that siphon off domestic savings and often increase external indebtedness. Chile and Mexico, among other countries, have made important progress in transferring government-owned industries to private ownership.

International Efforts To Encourage Growth

The International Monetary Fund (IMF) and World Bank provide financing to encourage new commercial debt reduction agreements and to assist debtors in pursuing fundamental economic reform. Since 1986, the IMF has established a compensatory and contingency financing facility to help countries maintain reform efforts in the face of external economic shocks and two special facilities to support structural economic adjustment in low-income countries. The World Bank has assumed an increasingly important role in stimulating sustainable economic growth in debtor countries through policy-based, fast-disbursing loans.

The US is encouraging more market-based reform through bilateral and multilateral economic assistance, the strengthened debt strategy, and continued efforts to achieve open world markets. The US is by far the largest contributor of development assistance to the region—averaging more than $1 billion annually over the past few years. The Caribbean Basin Initiative (CBI) gives Central American and Caribbean countries improved US trade opportunities which have helped create many new jobs in those countries that have sound economic policies. The US Government has supported increases in World Bank and Inter-American Development Bank resources to advance economic adjustment and growth in the region and is seeking more open world markets through the Uruguay Round of multilateral trade negotiations.

Further Information

For the origin of debt-related problems as well as US policy regarding debt and growth, see the May 1989 Department of State Gist on "Third World Debt." ■

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Secretary Baker

Current
Policy
No. 1251

Narcotics: Threat to Global Security

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following are remarks by Secretary Baker before the UN General Assembly Special Session on Narcotics, New York City, February 20, 1990.

These are promising times for the world community. From South Africa to Eastern Europe, from the democratic movements in Asia to the new generation of democratic leaders in Latin America, we hear the stirring cry of freedom. People of faith, conviction, and courage are struggling and prevailing against difficult odds.

The old world of dogmatic dictatorships is on its way out. Tragic throwbacks to repression only serve to remind us that the new world of secure, prosperous, and just democracies has not yet arrived. And it will not come automatically. We all must work to bring it into being and ensure that it will last.

Global war brought this organization into existence in 1945. And it was with solemn determination that the UN founders pledged, in the opening words of our Charter, "...to save succeeding generations from the scourge of war...."

Especially now, at this promising time, it is critical for the nations of the world to recall the fundamental aims that unite us. For if we fail to support the goals of the UN Charter—peace, human dignity, justice, respect for sovereign rights and international law, concern for the well-being of all the world's peoples—if we fail to do our utmost to accomplish these aims, then we could end up living in a future that resembles our troubled past.

Even as we work together to eliminate war and conflict, there are other troubles that will not wait and that are bringing untold sorrow to mankind. Even as we heed the cry of freedom and democracy, we must not fail to hear another cry. This cry is not the affirmation of freedom but its negation, not the uplifting of democracy but its degradation. It is the call of the drug addict.

That cry concerns all of us, and it is urgent. We hear it close to home—to my home, to your home, and to the homes of our neighbors in the world community. None of us—**not one nation**—remains untouched. None of us—**not one**—is safe from the danger of drugs.

Drugs pose a serious threat to global security. We are here at this special session because we recognize this bitter truth. We fully recognize the growing importance of combatting drugs. I particularly wish to thank the governments that have played leading roles in preparing the agenda before us.

I would now like to review for you the comprehensive approach my government is taking to help rid my country and the world of illicit drugs.

First, I will describe America's national drug strategy, which centers on the need to reduce the use of drugs at home.

Second, I want to share with you the results of the summit in Cartagena, where President Bush and the leaders of Colombia, Bolivia, and Peru formed the world's first antidrug cartel.

Finally, I will offer my government's thoughts on how the United Nations can best assist in the global fight against narcotics.

The U.S. Effort

First is our national drug strategy. The American people consider drugs the number one problem facing the United States. And winning the war against drugs is a top priority for President Bush and, therefore, a top foreign priority for me. The Bureau for International Narcotics Matters at the Department of State, ably led by Assistant Secretary Levitsky, has done a first-rate job of ensuring that narcotics control issues are fully integrated into our diplomatic efforts.

Our drug control strategy calls for an attack on the drug problem in all its aspects—consumption, trafficking, illicit production, treatment, and rehabilitation. My government is placing greater emphasis than ever before on preventive

education programs, treatment, and rehabilitation. We aim to stop the trafficking in all illicit drugs, not just cocaine. Heroin, marijuana, and the so-called designer drugs are also major threats. And we are attacking the problems of domestic cultivation and trafficking.

This kind of comprehensive approach calls for increased resources. Since the Bush Administration took office, the domestic antidrug budget has increased 67% to $7.6 billion. And our international antidrug budget, including border and off-shore interdiction efforts, has increased 73% to $3.1 billion.

We fully realize that attacking the problem of domestic consumption is our most critical challenge. As long as the demand for drugs by Americans remains voracious, our nation faces an endless, uphill struggle to halt supply. We are making progress. Domestic drug use dropped 37% from 1985 to 1988, and cocaine use was cut in half over the same period. But we have a long way to go.

We are determined that drug users in the United States face the hard facts: Their behavior is not just a personal indulgence. American users act as paymasters to organized murderers. Profits from every kilo of cocaine bought in the streets of America buy the bullets which rob democracies of their dignity and freedom. American users aid and abet the drug cartels which in turn foment and exploit regional and global instabilities. When Americans feed their habits and enrich the cartels, it's like they're giving succor to terrorists. American users are accessories to criminals who poison children. Their habits also contribute to the murder of the land. Coca farmers have destroyed acres of forest lands; traffickers have dumped millions of gallons of precursor chemicals into rivers.

I regret to say that narcotics has become a big business, a very big business in my country. Last fall in Los Angeles, agents seized 22 tons of warehoused cocaine. If all the kilo packages we seized were stacked, one on top of the other, the pile would be a mile and a half high—that's a mountain of misery half the height of the tallest mountain in the continental United States. It was estimated that the street value of the seized cocaine exceeds the individual gross national products of well over 100 of the nations represented in this chamber today. And this was just one warehouse. Imagine the veritable Mt. Everests of misery we haven't found!

Thus, consumption and supply, dependency and exploitation, greed and violence become a vicious circle—in truth, like a dragon chasing its own barbed tail. That circle of misery and death must be broken. America is helping to break it—both at home and with our partners abroad.

The Cartagena Summit

This brings me to my second topic: last Thursday's [February 15] summit in Colombia. As you know, President Bush and I traveled to Cartagena where we met with our counterparts from Colombia, Bolivia, and Peru. In Cartagena, the summit partners pledged to attack the merchants of drugs and death from every angle—production, distribution, finance, and use. President Bush was unequivocal in his commitment to reduce demand for drugs in the United States. We agreed that it was pointless to apportion the blame between producer nations and consumer nations—narcotics are a deadly threat to all nations that are exposed to them. We and our summit colleagues are determined to break the back of crack and put the illicit cartels out of business.

By going to Cartagena, the President demonstrated our country's absolute determination to fight the drug war for however long it takes. We have assured our partners that we will not fail to support them in the drug fight.

As part of our support, from FY 1989 to FY 1991, the United States will increase sevenfold our international drug budget for Colombia, Bolivia, and Peru. Our total economic assistance will more than double to those Andean nations next year as they undertake tough counternarcotics programs and apply sound economic policies.

It is fitting that the summit was held in Colombia. We applaud Colombia's courageous decision to seize and destroy labs, arrest and prosecute narcotics offenders, extradite traffickers and money launderers, and challenge the cocaine empire.

No nation has so bravely confronted the drug lords or made greater sacrifices. No nation here can remain indifferent to Colombia's fate. The scale of drug-related violence in Colombia is horrific, even to those among us who have experienced firsthand the violence that has been so sadly a part of our turbulent century.

In one short and brutal decade in Colombia, the Medellin and Cali traffickers have killed over 1,000 public officials, 12 Supreme Court justices, over two dozen journalists, and more than 200 judges and judicial personnel, not to mention the scores of men, women, and children who happened to be going about their daily lives in the wrong place at the wrong time. And no amount of laundering can wash the blood off money stained by drugs. The so-called kings of cocaine are criminals—criminals of uncommon power and uncommon brutality.

Time and again, President Barco has put his own life on the line to free his nation from the deadly grip of the drug cartels. Together with President Barco, Presidents Bush, Garcia, and Paz all recognize their responsibility to take the lead in combating cocaine, our common enemy.

Together at Cartagena, we reaffirmed the need for development, trade, and investment to strengthen growth-oriented economic policies in order to offset the economic costs of counternarcotics programs. We agreed to work in concert to heighten public awareness of the debilitating effects that drug production, trafficking, and abuse have on our countries. We agreed to provide economic assistance to help strengthen the legitimate economies of the Andean nations. And we agreed to strengthen the law enforcement capabilities of our countries to bring traffickers to justice. President Bush told his Andean colleagues that he would raise these issues with the G-7 at the Houston summit and with other developed countries as well. The United States seeks to improve and strengthen narcotics consultation and cooperation with other developed countries to bolster international support of producer-country counternarcotics efforts.

Finally, we and our Andean colleagues agreed to urge all countries to ratify, as soon as possible, the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotrophic Substances. When ratified, the 1988 convention will foster worldwide cooperation in such areas as money laundering, asset seizure, precursor chemical control, extradition, investigation, intelligence gathering, and information sharing. I am pleased to report that President Bush signed the instrument of ratification for the United States on February 13. We deposited the signed instrument of ratification with the United Nations today.

Ratification by all countries will help us in regional efforts to combat cocaine and also increase worldwide cooperation against illicit drugs of all kinds.

A Strengthened Role for the UN System

By fostering worldwide cooperation, the United Nations plays a crucial role. It is imperative that we make maximum use of the UN instruments and the UN system as a whole to buttress our efforts at the national and regional levels.

There is no country here so proud or so great as to be able to rid itself of drugs without the help of other nations. Nor is there any country here so small that it cannot support in some way this important international effort. Together we can work more effectively than in isolation. We can accomplish more in concert that at odds with one another. This special session affords to us all, the community of nations, an opportunity to work together decisively against drugs.

We must seize this opportunity now. For if we let it pass, our inaction will condemn more children to suffering and want, more families to destruction, more governments to the assaults of drug cartels. And more of the threads that hold together the very fabric of civilized society will unravel.

That is why the President and I are convinced of the timeliness and efficacy of this special session. We have the opportunity to set an action-oriented course for the UN system.

It is my government's hope that adoption of the Global Program of Action, and the related Political Declaration, will take us considerably closer to ridding the international community of the drug scourge—provided, of course, that the program commits us to concrete activities, that it is fully implemented by the UN agencies of the system, and that it is backed by complementary efforts at the national and regional levels. Certainly we the member governments cannot ask the United Nations to do things that we will not do at home. Nor can we ask the United Nations to undertake ambitious programs without financial backing and a strong infrastructure with which to carry them out. We must order our priorities in such a way as to accomplish our aims within the framework of a unitary approach to the entire UN system and through zero real program growth in budgets.

The Global Program of Action will reinforce the solid foundation which we have built already; by this I mean the two established international drug control treaties now in effect and the new convention against illicit trafficking which I mentioned earlier. In addition, we have other mandates such as those contained in the comprehensive multidisciplinary outline from the 1987 International Drug Conference and UN General Assembly Resolution 44/141, adopted in December 1989. All of these documents give us the legal and program basis as well as the clear authority with which to proceed. So let us use these tools effectively before we endeavor to write new treaties. We want to strengthen our systemwide efforts and ensure maximum cooperation, coordination, and efficiency in the conduct of all UN programs.

To be sure, there is a good case for improving and reinforcing our multilateral infrastructure. We agree that member countries should allocate more resources to UN antidrug efforts in order to complement domestic counternarcotics efforts. We are more committed than ever to working with other governments, so that the UN system may be a stronger, more responsive partner in the drug fight. With the help of the Secretary General and all member states, the President and I are hopeful that the Global Program of Action will energize a dynamic drug control effort of worldwide scope.

In our global war against drugs, we regard as natural allies all nations sharing the resolve to resist this scourge. Traditional friends and traditional adversaries alike must pool their efforts. Indeed, many of us already have joined forces, despite political and economic differences. Together we will combat the multinational drug empires on every front. Together we will hold to account any government that grants safe havens to drug profiteers, that actively permits the laundering of money, that turns a blind and uncaring eye to drug abuse and drug trafficking. We will give no quarter.

Conclusion

I began these remarks by saying that we are living in promising times. Freedom and democracy are in the ascendancy, yet they face formidable odds. Undoubtedly drugs are among their mortal enemies, for freedom and democracy are universal ideals that speak to the dignity of every individual. And if these ideals are to be realized, every individual must make a contribution to his or her own society and to the world community. An individual caught in the grip of drugs becomes a slave—no longer a free or a responsible person. And the same thing can happen to entire nations.

But such tragedies do not have to happen—not to our citizens, not to our countries, not to the world community. It's up to us—each of us, all of us together. A great deal is at stake.

We know that we cannot cleanse the world of drugs in one generation. Yet I believe I am justified in ending on an optimistic note. More than ever before, nations all over the world are working together on the global drug problem. The United Nations has greatly helped to bring this about.

From the Soviet Union to Jamaica, from Spain to Malaysia, nations are joining forces in the fight against narcotics. We, the peoples of the world, must keep up the fight—in the deep jungles and mountain valleys where coca and poppies are grown, in the urban jungles ruled by corruption and cruelty, in shadowy backrooms where drug-stained money is laundered, and in the dark recesses of the soul—there perhaps most of all.

Now—today—for the sake of our children and our grandchildren, we must do all that is humanly possible to rid God's good earth of the evil scourge of drugs.■

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Melvyn Levitsky

Current
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The Andean Strategy To Control Cocaine

United States Department of State
Bureau of Public Affairs
Washington, DC

Following is a statement by Melvyn Levitsky, Assistant Secretary for International Narcotics Matters, before the Subcommittee on Western Hemisphere Affairs of the House Foreign Affairs Committee, Washington, DC, June 20, 1990.

I welcome the opportunity today to discuss the President's Andean strategy and outline our policy goals and objectives in this area. Cocaine control is our number one priority and our main focus has been, and will continue to be, the Andes.

The President's historic meeting in Cartagena, Colombia, in February signaled a new era in narcotics cooperation with our Andean partners. No longer is the drug issue simply a law enforcement problem. We are working with Colombia, Bolivia, and Peru to explore ways to strengthen law enforcement, military, intelligence, and economic cooperation, including opportunities for expanded trade and investment in order to attack the drug trade in a comprehensive way. The President's Andean strategy seeks to bolster these countries' capabilities on all fronts. The programs we have are cooperative programs. We cannot do the job without a strong effort from the Andean countries, the countries that surround the Andean region, and the transit countries through which cocaine passes.

The Andean strategy is a multifaceted approach to the complex problem of cocaine production and trafficking. Of course, the main front in this war is here at home. But as we work to diminish our own demand for and consumption of drugs, we must also work hard to reduce the international supply; otherwise, it will be more difficult to sustain effective domestic programs in law enforcement, education, prevention, and treatment.

In 1989, the administration completed a comprehensive plan to work with the three Andean governments to disrupt and destroy the growing, processing, and transportation of coca and coca products within the source countries in order to reduce the supply of cocaine entering the United States. In September 1989, the President's National Drug Control Strategy directed that a 5-year, $2.2 billion counter-narcotics effort begin in FY 1990 to augment law enforcement, military, and economic resources in Colombia, Bolivia, and Peru. After careful negotiations between the United States and each of the individual cooperating governments, implementation plans have been prepared to ensure effective use of the assistance.

The administration's $2.2 billion plan provides a cooperative approach for working with the three major Andean governments to disrupt and destroy the growing, processing, and transportation of coca and coca products within the source countries in order to reduce the supply of cocaine from these countries to the United States. Congress has authorized and appropriated funds for the first year of this plan. For FY 1990, approximately $230 million in economic, military, and law enforcement assistance is being offered to the three Andean countries for counter-narcotics-related initiatives. In 1991, we are asking for $423 million, including narcotics-related economic assistance.

Objectives

The Andean strategy has three major objectives.

First, through concerted action and bilateral assistance, it is our goal to strengthen the political will and institutional capability of the three Andean governments to enable them to confront the Andean cocaine trade. With new governments in Colombia and Peru, it will be essential for the US Government to help them address the full range of their drug-related problems.

Second, we will work with the Andean governments to increase the effectiveness of the intelligence, military, and law enforcement activities against the cocaine trade in the three source countries, particularly by providing air mobility for both military and police forces and making sure they are well equipped and trained and that they cooperate in an integrated strategy. It has become clear that the Andean countries cannot conduct effective anti-narcotics operations without the involvement of their armed forces; this is especially true where the traffickers and insurgents have joined forces, as in Peru. Specific objectives include efforts to isolate key coca growing areas, block the shipment of precursor chemicals, identify and destroy existing labs and processing centers, control key air corridors, and reduce net production of coca through aerial application of herbicides when it is effective to do so.

Our **third** goal is to inflict significant damage on the trafficking organizations which operate within the three source

countries by working with host governments to dismantle operations and elements of greatest value to the trafficking organizations. By strengthening ties between police and military units and creating major violator task forces to identify key organizations, the bilateral assistance will enable host government forces to target the leaders of the major cocaine trafficking organizations, impede the transfer of drug-generated funds, and seize their assets within the United States and in those foreign nations in which they operate. Intelligence is a critical component of this strategy. We have worked closely with the intelligence community and law enforcement agencies to focus intelligence collection on these targets. In short, we have developed a strategy that is coherent, focused, and determined.

A major tenet of this strategy is the incorporation of expanded economic assistance beginning in FY 1991 and directed toward offsetting the negative economic dislocations we know will occur. This assistance will, in turn, strengthen the political commitment of the three Andean nations to carry out an effective counter-narcotics program. US economic assistance is, in general terms, linked to counter-narcotics performance and to follow-through with economic policy reform. In harmony with the views of the three Andean governments, our direct economic assistance and other initiatives support economic alternatives for those directly involved in the cultivation of and trade in coca. Examples of such assistance include crop substitution and other economic alternative activities, drug awareness, administration of justice, balance of payments, and export promotion. The assistance reflects our conclusion, incorporated in the Declaration of Cartagena, that a comprehensive, intensified counter-narcotics strategy must include understandings regarding economic cooperation, alternative development, and encouragement of trade and investment. As vigorous host government programs against the drug trade and economic policy reform initiatives become more effective, our economic assistance will increase in the outyears (1991–94) of the Andean strategy. We are not seeking to impose law enforcement, security, or economic assistance on these countries. These are programs that require cooperation and mutual agreement. Our intensive dialogue with the Andeans is refining a common understanding of what is needed and what is possible on both sides.

Misconceptions About Militaries' Roles

Let me deal directly with concerns which have been raised regarding the role of the Andean militaries in the drug war and potential human rights abuses. There is no reason to expect that US military aid will undermine democracy or civilian rule in the Andes. On the contrary, I believe it will help to strengthen both democracy and the international struggle against illegal narcotics for the following reasons:

- US security assistance will be negotiated with and delivered through the civilian governments;
- An impoverished, poorly trained and equipped military, unable to feed its troops, is far more susceptible to corruption and human rights abuses; and
- The military is far more likely to take a constructive approach if actively engaged in the drug war as opposed to being left to criticize civilian efforts from the sidelines. The involvement of the military, as in our own country, can bring a significant resource in the war against drugs if properly coordinated and directed by civilian authorities.

I would also like to set out a number of points that address misconceptions that have grown up in recent months about the so-called militarization of the US counter-narcotics effort. Like many slogans, the use of emotionally charged and sometimes politically motivated words like "militarization" is a gross oversimplification that does not do justice to the effort either to understand or deal with the complex problems of international narcotics.

In the first place, the level of our security assistance is only a part of our total effort. Of some $129 million in counter-narcotics funds requested for Peru in FY 1991, for example, only about $40 million is for military assistance, and much of that is for maintenance support and infrastructure improvement. Nor do we contemplate large levels of US military presence in the Andes. We have never maintained such a presence, and our strategy includes as one of our tenets the determination not to Americanize the effort to work with local governments.

Second, our decision to encourage greater participation of the local militaries in the counter-narcotics efforts parallels the evolution of our own policy that projects a greater role for the Department of Defense in the war on drugs in the United States. Indeed, the militaries in the Andean states are an important component of the governments and their involvement is a sign of greater overall national commitment in dealing with the problem.

Third, while we believe the militaries of the Andean states need to play a more constructive role, we never have nor will force military assistance on these countries. Nor is the assistance we are providing of a nature to create large, new forces in the region. We are developing the specialized skills and units required to conduct or support meaningful counter-narcotics operations, not creating major combat units. We should remember the immense size of the countries we are dealing with and that the narcotics processing facilities and growing areas are spread over large areas, often in remote locations. Narcotics law enforcement units are neither equipped nor trained to address the increasingly paramilitary nature of the problem. Further, as the case of Bolivian military support for counter-narcotics operations demonstrates, military support in some cases can be an effective way to avoid duplicating a parallel military capability within police narcotics enforcement agencies.

The financial resources of the narcotics traffickers, such as those in Colombia, enable them to hire private armies and terrorists on a national and international scale. Their ability to buy manpower and equipment surpasses the police capability and, in some cases, calls into question even the military's ability to respond effectively. These capabilities permit the narco-traffickers to challenge or defy the sovereignty of local governments in a way unprecedented in our experience.

US counter-narcotics policy, therefore, should not be characterized as a "militarized" effort, but rather one that seeks to provide legitimate governments with the tools and assistance to help defend their political sovereignty.

But the problem does not end there. There is now a further complicating factor, and that is the degree to which so-called guerrilla organizations are becoming involved in narcotics trafficking, either in providing protection in return for profit or in engaging in the production and sale of coca.

The effort of the United States to help these countries deal with "narco-insurgents" has raised the specter of counter-insurgency—specifically, whether the United States should engage in supporting Andean militaries, some with past records of human rights abuses, in waging a struggle against insurgent groups which

are clearly involved in many aspects of narcotics trafficking. We cannot gloss over past abuses in some countries. We do not support these and never will. But neither should we succumb to the romantic notion of downtrodden peasant masses protesting in arms against social injustice, nor depict organizations like the *Sendero Luminoso* (Shining Path) of Peru or the FARC (*Fuerzas Armadas Revolucionarias de Colombia*—Armed Revolutionary Forces of Colombia) in Colombia as champions of human rights. Moreover, these groups are now becoming narcotics traffickers themselves, profiting from the environment of drugs and using drug monies to finance further violence.

In such groups, we are dealing with professional organizations of tight-knit cadres whose human rights abuses, indiscriminate bombings of civilian targets, use of torture, terrorism on a national scale, and barbaric brutality are plainly part of the public record in Colombia and Peru. While the US attitude toward these problems is well known, the United States has not provided significant financial assistance to any of the Andean nations to deal with these specific problems. We are focusing our effort on counter-narcotics, not on counter-insurgency, but we cannot lose sight of the fact that it is the insurgents who have become involved in narcotics and, along with the traffickers, created a militarized situation.

Let me also point out the following. At this point, we have not concluded a security assistance agreement with the government of Peru. We have done some advance planning and held discussions with officials of the government, but no programs of assistance can go forward without such an agreement. While it is our belief that the narcotics situation in the upper Huallaga Valley cannot be dealt with effectively without the involvement of the Peruvian military, this is a Peruvian government decision. And, of course, it will be a decision as to whether the counter-narcotics performance of the Peruvian institutions involved in the struggle will justify the provision of economic assistance. Our request for economic assistance for Peru in 1991 is based on the assumption of effective counter-narcotics performance.

Our counter-narcotics work in Bolivia does not create a significant military capability; it, too, focuses on improving the military's ability to support counter-narcotics efforts. This includes improvements in riverine programs by the Andean navies to interdict the flow of precursor chemicals and drugs on Bolivia's waterways.

The involvement of the Colombian military in supporting counter-narcotics law enforcement operations over the past 2 years proves the effectiveness of this approach. Recently, the Colombian military, using equipment supplied by the United States, with the police seized over 18 tons of cocaine in one transportation complex deep in the Colombian jungle.

It is basic to our policy that human rights remain under continuous review to determine whether government policies justify, reinforce, or call into doubt our continued assistance relationship. State Department human rights reports on Colombia and Peru have been candid in their criticisms and, in fact, received praise from human rights groups. We will work with the Andean militaries to eliminate human rights abuses as they increase their involvement in anti-narcotics operations. Our training, in fact, will emphasize human rights and civic action.

Involvement of US military personnel and organizations is clearly defined, limited, and subject to continuing review. The US military role is to provide support and development of host country capabilities. It will provide training and operational support, materiel, advice, and technological and maintenance support to cooperating nations' counter-narcotics organizations. Defense personnel will not participate in actual field operations.

Contrary to some media reports, the levels of counter-narcotics based economic assistance planned for in the President's Andean strategy outweigh the levels of military assistance being offered. Over the 5 years that the strategy covers, from FY 1990 to 1994, economic assistance will total over $1.1 billion, versus approximately $676 million in security assistance. Moreover, this does not include other economic assistance such as food aid and trade preferences for the Andean region.

Further Initiatives

We are, of course, living up to the economic commitments made at the Cartagena summit. We are implementing the initiatives contained in the President's November 1 Andean trade package, including working with the countries in the region to develop further initiatives:

- In February, administration officials met with representatives from the European Community, Canada, and Japan to discuss ways we can help the Andean countries improve their trade performance.
- In March, the Office of the US Trade Representative (USTR) announced that 129 products were accepted for review under the US generalized system of preferences (GSP) special Andean review. Final results of the review will be announced in July.
- We have also conducted successful technical seminars on the GSP program in Colombia, Bolivia, Peru, Ecuador, and Venezuela to help the Andean countries take full advantage of the GSP. A US team is in the Andes the week of June 18 to conduct seminars on the US textile program.
- We have scheduled a workshop in Washington for the Andean countries the week of July 9 on ways to expand US-Andean trade and investment opportunities.
- We are exploring areas of potential cooperation with the multilateral development banks and have emphasized US support for World Bank efforts in the area of trade policy reform.
- On May 8, the United States and Bolivia signed an agreement to establish the US-Bolivia Trade and Investment Council, whose objectives are to monitor trade and investment relations, identify opportunities for expanding trade and investment, and negotiate agreements where appropriate.
- We also renewed our commitment to seek a new International Coffee Agreement (ICA).
- We have offered to accelerate negotiations on tariff and nontariff measures in the international trade negotiations now going on in Geneva. Andean participants have not yet responded to our offer.

In addition to the bilateral aspects of the Andean strategy, we are also working with the international community to gain support for Andean initiatives. The strategy suggests that a consultative mechanism with other developed countries be established to encourage closer coordination of international counter-narcotics efforts. I will be travelling to Europe at the end of this month to further this goal.

We are pleased with the work of the G-7 Financial Action Task Force on money laundering; the United States hopes to expand the number of countries that embrace the action recommendations of the task force to ensure that all countries have comprehensive domestic programs against money laundering and cooperate to the maximum extent

possible in international money laundering investigations and prosecutions. Narcotics is also on the agenda of the Houston economic summit next month, and there we hope to gain greater G-7 support for precursor chemical control. As our own controls become more effective, the drug traffickers look to Europe and the surrounding countries for supply of these chemicals, and so we must bolster international efforts to limit their use to legitimate industry. Without essential chemicals, cocaine cannot be produced. We have just completed a State Department-Drug Enforcement Administration (DEA) mission to Europe to promote the control of essential and precursor chemicals. We will be conducting similar missions to Latin American countries.

In closing, I would like to take this opportunity to say that I believe that during the coming year, we and the Andean governments will have many opportunities for progress as we work together to attack all aspects of the cocaine trade. We are optimistic. The price of coca leaf is down in Peru and Bolivia. As a result, in Bolivia voluntary eradication of coca is up—this year has already surpassed last year's total—and increasing numbers of growers are moving out of the illegal industry. DEA laboratory analysis indicates that purity levels of cocaine at both the wholesale and retail levels are down and prices have increased at the wholesale level in many areas throughout the nation. Cartagena ended the argument over who is to blame for the drug crisis; we now have a consensus on the nature of the problems we face and a solidifying common front against the drug trade.

Success will not happen overnight, but we are beginning to see that our efforts are having an impact in the Andes, and on the streets of the United States. Provided we are prepared to sustain our activities and not allow our thinking to be clouded by false analogies and oversimplifications, I believe we will continue to make progress toward a goal the American people have made clear that they support. ■

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A quick reference aid on US foreign policy

gist

International Narcotics Control

Background

International cooperation to stop narcotics production and trafficking is a central element of US foreign policy. Few foreign policy concerns have as direct a domestic impact as international narcotics. Ninety-five percent of the illicit narcotics consumed in the United States comes from other countries. It is essential, therefore, to gain international cooperation to reduce drug supplies while the United States works to reduce demand at home. As Secretary Baker stated in November 1989: "[T]here is no foreign policy issue short of war or peace which has a more direct bearing on the well-being of the American people."

US Policy

In January 1990, President Bush issued a National Drug Control Strategy that calls for increased international cooperation against drug production, trafficking, and abuse. A critical part of the strategy is increased emphasis on cooperative efforts with three Andean nations (Colombia, Peru, and Bolivia) to dismantle cocaine trafficking organizations and disrupt cocaine processing and trafficking as close to the source as possible. In FY 1990, $423 million in economic, military, and law enforcement assistance is being provided to the three nations to strengthen their ability to meet these objectives. Additional economic aid will be available to these countries in FY 1991 if they use current resources effectively and establish sound economic policies. The State Department's Bureau of International Narcotics Matters, which has a budget of $150 million, provides $58 million to the Andean strategy funding. It has counternarcotics programs in South and Central America, Mexico, the Caribbean, and Southeast and Southwest Asia.

In February 1990, President Bush met with the presidents of Colombia, Peru, and Bolivia at the Andean summit in Cartagena, Colombia. The four presidents agreed to work closely in a number of critical counternarcotics areas, including the control of precursor chemicals, drug education, exchange of tax information, and a broadened role for each country's military in fighting narcotics.

In addition, the United States is undertaking cooperative efforts with concerned governments in Asia, Africa, Europe, and the Soviet Union. There is a growing consensus that the solution to the world's drug problem must be global in scope, addressing all elements of the grower-to-user chain.

National Drug Control Strategy

The President's National Drug Control Strategy calls for:

- Increased economic, military, and law enforcement assistance to Colombia, Peru, and Bolivia;
- Expanded US-Mexican cooperation in drug enforcement, "money laundering" disruption, and demand reduction programs;
- Continued US support for law enforcement programs in South American producer and transit countries, including Ecuador, Venezuela, Paraguay, Argentina, and Chile;
- Continued law enforcement and intelligence programs with Central American and Caribbean nations;
- Development of an international strategy focused on opium and heroin;
- Broadened domestic and foreign efforts to counter international money laundering activities;
- Expanded efforts to reduce the illegal manufacture and shipment of chemicals essential to illicit drug production; and
- Promotion of international law enforcement cooperation through mutual legal assistance treaties and the pursuit of anti-drug initiatives at international forums.

Role of Developed Nations

Developed nations play a key role in global efforts to fight narcotics production and trafficking. The President's drug control strategy calls on European nations, Canada, Japan, and Australia to take greater steps to help Andean, Caribbean, and Asian countries reduce drug supply and demand. An informal consultative mechanism is being established for

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this purpose. Trafficking organizations are seeking new markets for cocaine and heroin. Developed nations, recognizing the threat, are beginning to respond.

Progress in International Narcotics Control

Government leaders are focusing on the international narcotics threat and on positive solutions. A recent UN special session was devoted entirely to the narcotics issue. British Prime Minister Margaret Thatcher sponsored a joint UN–UK ministerial conference on cocaine and demand reduction this spring.

Recent Colombian counternarcotics operations have resulted in the extradition of 15 narcotics traffickers and money launderers to face justice in the United States, the seizure of about 19 metric tons (MT) of cocaine at a major drug trafficking transportation complex in southern Colombia, and the confiscation of numerous properties and other assets belonging to drug "kingpins." Coca prices in Bolivia have dropped because of increased anti-drug pressure in Colombia and Bolivia, encouraging many coca farmers to switch to legitimate crops. Working with the United States, the government of Peru constructed a secure police base in the upper Huallaga Valley to house Peruvian and US enforcement personnel.

Progress has occurred in other countries as well. Mexico seized 34 MT of cocaine in 1989 and drug trafficking has diminished in and around The Bahamas. Last year, Jamaica further reduced its marijuana crop. Ecuador has been successful in eliminating coca production, and Pakistan reduced its opium crop.

Nevertheless, much remains to be done. The estimated production of illicit narcotics supplies increased in 1989. Most dramatically, Burma's opium crop doubled as the Burmese turned their attention away from narcotics control. Worldwide, coca production grew by about 10% last year. ■

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Secretary Baker

Current
Policy
No. 1228

Democracy, Diplomacy, and the War Against Drugs

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is the prepared address by Secretary Baker for the Forum Club, Houston, Texas, November 22, 1989.

I am especially pleased to be here in Houston to join you in celebrating the Forum Club's 10th anniversary.

As we gather with our families and friends this Thanksgiving, we Americans have much to be thankful for. In so many ways, we are reaping the harvest of our long-held values. We have planted and nurtured them at home. Through our efforts and by our example, they have taken root around the world. They are ripening even in what seemed to be the most forbidding and barren ground.

We Americans rejoiced when just 2 weeks ago the Berlin Wall was breached. We shared the excitement of the moment with the German people, just as in darker times we shared their grim determination to overcome the 1948 blockade, the 1953 crackdown, and, for 28 years, the stark presence of the wall itself.

I had an extraordinary telephone conversation with the Foreign Minister of the Federal Republic of Germany, Mr. Genscher. He called. I came on the line. His secretary said, "Just a moment, sir, and thank you for everything. God bless America. Here's the minister." This was his secretary. Then the minister came on the line, and he said, "I'm calling to simply express to you and through you to the American people our gratitude for what America has done for Germany and particularly for what America has done for Berlin."

He said as well, "This is a moving moment for our nation, but I'm calling to express our gratitude to the people of America." It almost brings tears to your eyes. It's a very moving event.

Thus, we see the postwar era nearing its end. Yet, we still live with its legacy. We will do so for many years to come. How we overcome that legacy will be a central question when President Bush meets with President Gorbachev in the Mediterranean next month. In the meantime, the peoples of the East are coming in from the cold, drawn closer to the warmth of democracy.

Faith, conviction, and personal courage are prevailing against all odds. The long, twilight struggle between East and West that President Kennedy described may be coming to an end at last. It is ending with neither a bang nor a whimper, but with the triumphant cry of the human spirit.

But there is another cry of the human spirit that must be heard. It is not the affirmation of freedom but its negation; not the uplifting of democracy but its degradation. It is the call of the drug addict, of the human souls and bodies afflicted with the scourge of despair. It is the tragedy of our daily headlines—of careers ruined, of families disrupted, of children gone astray, of lives endangered, and of lives lost.

Our most fundamental values, indeed our humanity, are at stake. To prevail in this twilight struggle against drugs will require courage and constancy of purpose, because there are no easy victories in this twilight war.

International drug trafficking is a threat to our national security. That is no exaggeration.

According to a survey taken in late September, over half of the American people named illicit drug use as the most important problem facing the country today. Illegal drug use in this country crosses the entire spectrum of our society. It affects people from all walks of life, all age groups, all backgrounds, and all levels of income. And while some regard narcotics as an urban phenomenon, this big-city problem is also a major problem for rural America.

I am sad to say that this native city of mine, where we meet today, and our state of Texas are no exceptions. Houston is one of the four major narcotics distribution centers in the country. It has a significant cocaine problem. In east Texas, the Sheriff's Office of Gregg County reports that between 1987 and 1988, there was an 80% increase in the number of crack cases. Also during that

period, robberies rose by 70%. Four years ago, crack cocaine was pretty much nonexistent in the town of Tyler, Texas. Today, Tyler has crack houses and "shooting galleries." Indeed, well over 80% of the crime in Tyler is crack related.

Drugs hit close to home—my home and that of another Houstonian, George Bush; your home and the homes of our neighbors. That is why the President and I are personally committed to the struggle against drugs. That is why I have made the narcotics issue a top foreign policy priority. I have instructed our ambassadors worldwide and the Department of State's assistant secretaries to ensure that narcotics control issues are fully integrated into our diplomatic efforts. To my mind, there is no foreign policy issue short of war or peace which has a more direct bearing on the well-being of the American people.

As I see it, the survival of democracy at home and abroad is perhaps our most fundamental national interest. And drugs are mortal enemies of democracy. Let me tell you why.

Democracy speaks to the dignity of every individual. Every person is considered a free and responsible citizen whose vote and say in public affairs is essential. An individual caught in the drug habit soon becomes a slave of that habit—no longer a free person or a responsible citizen. And in a similar way, what can happen to the individual can happen to a nation. The drug pirates and profiteers attack the central nervous system and vital organs of democracy: the administration of justice; the integrity of government; the right of free speech.

Ultimately, the illegal narcotics trade robs dignity and freedom not only from the individual but from entire nations. Malaysia was one of the first nations to declare that drug traffickers threatened its sovereignty. Pakistan, Thailand, Jamaica, and Mexico—all have come to the alarming conclusion that drug abuse is eroding their hopes for the future, and they are taking action to combat this insidious enemy.

Look at Colombia. No other nation has so bravely confronted the drug lords. No other nation can afford to be indifferent to Colombia's fate. We applaud Colombia's courageous decision to extradite traffickers and money launderers to this country. Time and again, President Virgilio Barco has put his own life on the line for his nation and for the cause of democracy everywhere.

In Colombia, the Medellin and Cali traffickers consider themselves a country and a law unto themselves. They operate just like the pariah states that export terrorism. They have bought banking systems to store their wealth and mercenaries to attack their adversaries. And who are their enemies: public figures, judges, journalists, and innocent bystanders, whom they murder in broad daylight.

It is hard for Americans to comprehend the scale of such violence and intimidation. Let me try to put it into perspective. Imagine one day that a hit squad attacks the U.S. Supreme Court and murders half of the justices. Imagine our Attorney General being assassinated by organized crime figures. And imagine a criminal organization declaring "absolute and total war" on our government after assassinating a leading presidential candidate.

This is what has happened in Colombia in one short and brutal decade: the traffickers have killed over 1,000 public officials, 12 Supreme Court justices, over two dozen journalists, and more than 200 judges and judicial personnel.

President Bush has come to Colombia's aid by authorizing $65 million in emergency military assistance. Canada, Norway, United Kingdom, Italy, Spain, and Portugal have also pledged their help to Colombia's effort.

Moreover, this Administration has proposed a bold, comprehensive strategy to address the cocaine problem in the hemisphere. We call it "the Andean strategy." This strategy is nothing less than a multiyear, $2-billion American plan to provide military, economic, and law enforcement assistance to help the Andean governments as they fight cocaine. Our primary goal is to attack and dismantle the drug trafficking organizations themselves. In short, to put them out of business. We are going directly to the source. And that is the Andes, where we will support the governments of the region in a three-part plan:

First, to isolate and disrupt coca production by interdicting air, road, and river traffic in drugs and chemicals essential to drug production;

Second, to eradicate coca when and where possible and effective; and

Third, to develop income alternatives to the illicit drug industry by strengthening the legitimate economies of Andean countries.

This is not a strategy for massive and unilateral U.S. intervention in the Andes. The Andean countries want and need our assistance. But we know we won't be effective unless we attack the demand for drugs as well as the supply. To that end, we have accepted the Andean leaders' invitation to sit down and discuss our mutual struggle at an Andean summit in February next year.

We realize that as long as American demand for drugs continues, we face an endless, uphill battle to halt supply. That is why the President decided that reducing the demand for drugs must be at the center of our antidrug policy. America's demand drives the spiraling cycles of production and trafficking, consumption, and addiction. Profits from every kilo of cocaine buy the bullets which rob Colombia of its dignity and freedom and threaten Bolivia and Peru.

I want every user of drugs in the United States to face a fact: Their actions are not just a personal indulgence. They act as paymasters to organized murderers whose victims are defenders of democracy and the rule of law. They are accessories to criminals who poison children and babies. And users by their habits also contribute to the murder of the land. Coca farmers have destroyed countless acres of forest; cocaine traffickers have dumped millions of gallons of chemicals into water supplies.

Above all, we must be honest with ourselves. There is nothing glorious or admirable or honorable in the so-called drug lords and kingpins. They are just criminals—criminals of uncommon power and uncommon brutality. No amount of laundering can wash the blood off money stained by drugs.

Narcotics has become a big business, a very big business. Recently in Los Angeles, agents seized 20 tons of warehoused cocaine. If all these kilos were stacked, one on top of the other, the pile would be a mile and a half high—half the height of Mount Whitney, the tallest mountain in the continental United

States. It was estimated that this cocaine had a street value of $6.7 billion. That exceeds the individual gross national products of well over 100 nations. And this was just one warehouse. Imagine the mountain of misery that represents.

I want to say a few more words now about the international dimension of the drug problem and what we are doing about it. Narcotics use, production, and trafficking are urgent problems not only for our hemisphere but worldwide. So we are going to be taking some important actions that will give teeth to our campaign against the illegal drug trade. The central idea behind our efforts is to attack these merchants of death from every angle—production, distribution, finance, and use. Let me give you just a few examples.

One, we are working with the Senate to promote ratification of the UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and we will encourage other governments to ratify as well.

Two, over the next few years you will see an intensified effort to enlist our allies and friends in a common effort to fight drugs. We and our Summit Seven partners have established a financial action task force against money laundering. We have already launched an initiative to encourage our European allies to play a larger role in this and in other areas, such as approaching major drug countries such as Burma, Laos, and Iran—where U.S. influence is limited.

And three, we signed an agreement in Paris with the Soviets last January which permits us to share information on narcotics issues. Since then, Foreign Minister Shevardnadze and I agreed in Wyoming to expand our cooperation and, to follow through, the Attorney General has traveled to the U.S.S.R. Next week, our Assistant Secretary of State for International Narcotics Matters also will travel to the Soviet Union.

These are only a few instances of how, working together with traditional allies, friends and adversaries alike, we are beginning to attack the multinational drug empires on every front. These actions, of course, are all part of the larger strategy announced by the President and which is being coordinated by Bill Bennett [Director of the Office of National Drug Control Policy]. As Secretary of State, I pledge that we will hold to account nations that grant safehavens to drug profiteers, who actively permit the laundering of money, and who turn a blind eye to drug shipments.

When I began this speech, I called our war on drugs a twilight struggle. Our struggle against narcotics is being fought abroad in the deep jungles and mountain valleys where coca and poppies are grown. It is being fought at home in the urban jungles ruled by corruption and cruelty. It is being fought in shadowy backrooms where drug-stained money is laundered. And, above all, it is a struggle of will and of conscience—one that is fought by each of us, often in the dark recesses of the soul.

But I want to end on a brighter note. For light is being shed on this pervasive problem both at home and abroad. Now, more than ever before, we see nations all over the world working together on this global problem. From the Soviet Union to Jamaica, from Spain to Malaysia, governments, leaders, and the private sector are joining in the struggle against drugs.

Tomorrow, all across America, we will be sitting down to Thanksgiving dinner and blessing the Lord for the bounty before us. We should give thanks as well for the harvest of new freedom that has sprung up around the world. And we pray that, with hard work, our communities here at home as well as the community of all nations can rid God's good earth of the scourge of drugs. ■

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Fact Sheet

Presidential Drug Summit
Cartagena, Colombia
February 15, 1990

Presidents Virgilio Barco of Colombia, Jaime Paz Zamora of Bolivia, Alan Garcia of Peru, and George Bush of the United States met on February 15 in Cartagena, Colombia, to strengthen cooperation attacking the production, trafficking, and consumption of illicit drugs. Colombia, Bolivia, and Peru are sources of most of the world's supply of cocaine; the United States is the world's largest consumer.

The Declaration of Cartagena, signed by the four presidents, provides the framework for a comprehensive antinarcotics strategy. The declaration acknowledges that a successful program will necessarily involve economic and development cooperation and support as well as intensified actions aimed at narco-trafficking and reducing demand. The leaders also stressed the need to increase public awareness of the dangers of trafficking and use, and to undertake diplomatic initiatives aimed at building international support for drug control and economic development.

"We've committed ourselves to the first common, comprehensive international drug control strategy." — President Bush

The declaration calls for strengthened bilateral cooperation. The U.S. and Bolivia signed agreements on the control of essential chemicals, weapons exports, and on public awareness. The U.S. and Peru signed accords on the exchange of tax information and public awareness and exchanged notes on extradition. Other agreements are under negotiation.

The summit nations agreed to hold a high-level follow-up meeting within the next 6 months and called for a world antinarcotics meeting in 1990.

Declaration of Cartagena—Key Points

The four nations pledged to seek a cooperative, comprehensive strategy to the drug problem by:

▶ Attacking the production, transport, and consumption of illegal drugs;

▶ Stimulating trade, investment, economic cooperation, and alternative development in the Andean countries; and

▶ Increasing public awareness of the drug problem and strengthening international support for efforts aimed at curbing illicit drug traffic.

Bilateral Agreements

▶ The U.S. and Bolivia signed the:

Essential Chemicals Control Agreement to provide a basis for monitoring and controlling drug precursor-chemical movement;

Weapons Export Control Memorandum of Understanding to ensure greater cooperation toward preventing U.S. weapons exports from being acquired by narco-traffickers; and

Public Awareness Memorandum of Understanding to build public support for programs against production, trafficking, and consumption.

▶ The U.S. and Peru signed the:

Tax Information Exchange Agreement to provide for bilateral exchanges of tax-related financial information in order to track and prosecute financial gains from trafficking;

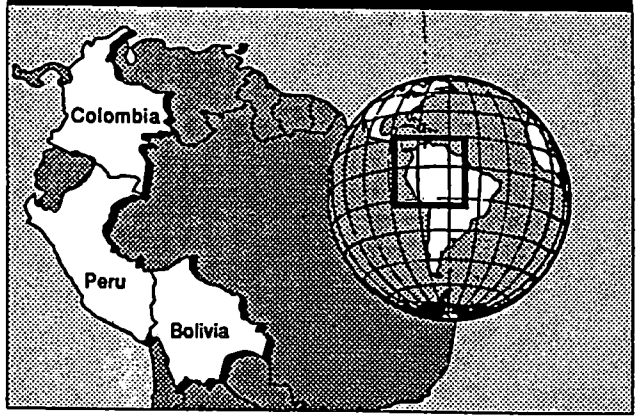
Exchange of Notes on Extradition to confirm explicitly that narcotics trafficking and related drug offenses are covered by the 1899 U.S.–Peru Extradition Treaty; and

Public Awareness Memorandum of Understanding to build public support for antinarcotics programs.

▶ The U.S. and Colombia pledged to:

- Continue efforts to reduce the flow of illicit drugs;
- Seek ways to maintain economic growth and stability;
- Work toward expanding U.S.-Colombian trade.

Participating Andean Countries



U.S. Department of State
Bureau of Public Affairs
Office of Public Communication

February 1990

FACT SHEET

U.S. ASSISTANCE PROGRAMS RELATED TO DRUG CONTROL

Narcotics assistance to the Andean countries addresses various economic and political issues which are intertwined with the problem of narcotics trafficking. The majority of funding support focuses on narcotics enforcement activities. It is widely recognized, however, that a significant reduction in narcotics flow cannot be achieved without an effective demand reduction program in the U.S.

Andean narcotics enforcement agencies are ill-equipped to deal with the magnitude of the narcotics problem in their countries. U.S. bilateral narcotics enforcement assistance programs with Colombia, Bolivia, and Peru provide for specialized enforcement training, the loan of helicopters and aircraft for use in reconnaissance and interdiction operations, expanding the physical plant of host country narcotics bases and assistance in developing communications and intelligence capabilities.

The increased assistance for Andean narcotics enforcement programs is coupled with an additional emphasis on economic assistance, in order to offset the political and economic costs of success in dismantling the cocaine trade. The U.S. also supports Andean efforts to expand public and private sector demand reduction programs.

U.S. narcotics assistance to the Andean countries in FY 90 places a particular emphasis on bringing the Andean military into the anti-narcotics battle. Military support for anti-narcotics operations in Peru and Colombia has become a vital element of enforcement operations, due to the involvement of some insurgent groups in narcotics trafficking activities.

The principal program objectives and measures are as follows:

<u>Disrupt narcotics trafficking as close to the drug source as possible</u>

- Provide the necessary equipment to host government narcotics enforcement agencies to identify and destroy coca paste, base, and cocaine laboratories and clandestine airstrips in coca-producing countries.

- Aid host governments in the development of effective domestic law enforcement capabilities in cocaine source and transit countries through training, professional exchanges, and intelligence sharing.

Prevent drugs destined for the U.S. from entering international trafficking channels

- o Support interdiction operations which attempt to cut air, land and water transportation links used by traffickers to move narcotics and precursor chemicals.

Reduce illicit crop production where feasible

- o Support host country efforts to eradicate narcotics crops through reconnaissance, agricultural research, and provision of equipment.

Provide economic support to offset the social and economic costs of successful anti-narcotics programs

- o Supply economic assistance which covers agricultural, infrastructure, education, and transportation projects for improving the standard of living for farmers engaged in illicit narcotics cultivation and processing.

- o All four countries have agreed that economic assistance can best be utilized in the context of sound economic policies.

Support the efforts of foreign governments to reduce the internal consumption of narcotics produced in their countries

- o Provide the necessary resources to allow governments to sensitize opinion leaders and the general public to the health and national security dangers of drug production, trafficking and abuse.

Attachment: Funding Chart - U.S. Counternarcotics Assistance to the Andes

U.S. COUNTERNARCOTICS ASSISTANCE TO THE ANDES
(in millions of dollars)

	FY 1990 ESTIMATE				FY 1991 ESTIMATE			
	Military	Economic	Bilateral Law Enforcement	TOTAL	Military	Economic	Bilateral Law Enforcement	TOTAL
Colombia	40.3	0.0	20.0	60.3	60.5	50.0	20.0	130.5
Peru	36.4	3.1	19.0	58.5	39.9	63.1	19.0	122.0
Bolivia	33.7	30.8	15.7	80.2	40.9	95.8	15.7	152.4
Total Andean Strategy	110.4	33.9	54.7	199.0	141.3	208.9	54.7	404.9

Human Rights Problems in a Democratic Western Hemisphere

United States Department of State
Bureau of Public Affairs
Washington, DC

Public Information Series

Remarks of Ambassador Luigi R. Einaudi, US Permanent Representative to the Organization of American States (OAS), during the June 7, 1990 debate on the Annual Report of the Inter-American Commission on Human Rights at the 20th OAS General Assembly in Asuncion, Paraguay.

In this last semester, as throughout its 30-year history, the Inter-American Commission on Human Rights (IACHR) has distinguished itself in its professionalism and its productivity. It is today the conscience of the Americas. The standard it sets for performance in the advancement of human rights is a global standard.

That is a good thing, indeed, for the dynamic of global development requires that we accelerate efforts to secure the human rights of all citizens. Countries today must be open and outward-oriented, ready to engage effectively with the rest of the world—in trade and commerce and, more generally, in affairs across the board.

Countries turned inward by the fratricidal internal conflicts so often associated with human rights abuses are greatly disadvantaged. Moreover, competitiveness in today's world requires efforts to maximize human potential—an imperative that is irreconcilable with disrespect for human rights.

In short, a modern state cannot afford to minimize human rights concerns, and we of the Americas have made great progress in our generation. At the same time, a sober reading of the annual report of the IACHR dispels superficial optimism. Human rights are the cornerstone of the modern state. This hemisphere is making major strides, but we have few grounds for complacency.

Human Rights and Democracy

Since our last meeting, Panama, Nicaragua, and Chile have joined the ranks of countries with democratically elected governments. In noting the milestones along the way to the return of elected civilian government in Chile, in detailing the steps taken in Panama to consolidate democratic rule, and in highlighting the importance of the February elections in Nicaragua, the commission is exemplifying the link between democracy and human rights. Its timely reports of electoral campaign irregularities in Nicaragua last year prompted corrective actions, thus contributing to the peaceful and representative vote in February. Its visit to Haiti in April and the special report presented to this assembly on the situation there can make a similar contribution.

To its credit, the commission makes clear that human rights problems do not suddenly or automatically disappear with the return of democratically elected leaders. El Salvador, Guatemala, Paraguay, and Suriname have all opted for democracy. But the painstaking, long-term effort of building democratic institutions and ensuring respect for human rights continues.

The commission is unsparing in its judgments on incidents in these countries, demonstrating that good intentions are not a guarantee of satisfactory performance on human rights matters. Unlike dictatorships, however, democracies do not stand alone in working to improve human rights conditions. The commission works with them to address problems. And, to their credit, member states have—as the commission confirms—a solid record of cooperation with the commission. This record of active cooperation attests that, for human rights and international cooperation, democracy works—not as a panacea, but as the best environment for getting the job done.

The Country Reports

Cuba. My government perceives Cuba, the first country reported on, as having a government that sets it apart from the remaining countries covered in the annual report for two reasons. Cuba is the only country in the group—or in this hemisphere—that has not committed itself to elections, and Cuba is the only country in the hemisphere whose government can be said to repress human rights as a matter of official policy.

Cuba's human rights situation has deteriorated over the past year. The commission documents government harassment, judicial sentencing without due process, deprivation of work, and imprisonment under extremely negative conditions. The report lists 34 members

of 10 different human rights and dissident organizations who have been detained since September 1988.

This is the commission's most detailed coverage of the Cuban government's human right practices since its special report on Cuba in 1983. The account of the crackdown on dissidents complements other recent reports by Americas Watch, Amnesty International, and the US Department of State.

Chile. The chapter on Chile gives the annual report an upbeat turn. The commission "underscores its satisfaction on the re-establishment of representative democracy," a note of welcome to the new government of Chile that my government fully shares. The chapter marks the key events in the transition: the October 1988 plebiscite, the July 1989 constitutional reform, the December 14, 1989 elections, and the March 11, 1990 transfer of power to the civilian government.

The report highlights the new government's plan to establish a commission to investigate human rights abuses during the military regime. It comments briefly, but concretely, on the persistence of terrorist actions throughout the period.

El Salvador. The El Salvador chapter notes two "conflicting tendencies"—an escalation of violence and human rights violations and progress toward a resumption of peace talks between the government and the Farabundo Marti National Liberation Front (FMLN).

The report makes a thorough—and frankly disheartening—record of events since its last report on El Salvador. Many of us in this room recall that this committee last met in the midst of horrifying news: the launching on November 11 of the largest guerrilla offensive of the civil war. Then, 5 days later, the murder, apparently by government forces, of six Jesuit educators, their cook, and her daughter.

The commission describes these events as part of a "vicious cycle of violence" in which the right and left, security forces and guerrillas, share blame. The violence and the abuses have affected noncombatants, journalists, government officials, churchmen and -women, and labor unionists—every sector of Salvadoran society.

My government is convinced that the democratically elected government of El Salvador is making serious efforts to incorporate all elements of society in the political process. But the violence is retarding these efforts. The commission observes that "the relative advances (in human rights) made have been seriously compromised by recent events." It cites claims by nongovernmental organizations of an increase in torture of political prisoners and by journalists of harassment, threats, and arrest by security forces. The commission also observes that the government has not as yet replied to its request for information on the killings of the Jesuits.

Those who follow the situation in El Salvador differ over particular cases and general characterizations. But what emerges is a series of fundamental truths. It is time to stop the killing in El Salvador. It is time to move forward with dialogue. The war must yield to genuine national reconciliation.

Guatemala. The report on Guatemala is disturbing. But if the commission is frank in exposing problems, the government and the military of Guatemala are equally frank in acknowledging the problems. The commission reports the "most serious" increase in violence and human rights violations since the present government began its term. It finds the government ineffective in preventing, controlling, and investigating the violence and prosecuting those involved. It also perceives a lack of control over those in the security forces who, in the commission's view, appear to have had direct involvement in a number of the violations.

The report deals with defects of the judicial system as well as inconclusive police investigations. While detailing acts of terrorism by the guerrillas, the commission also cites Minister of Defense [Hector] Gramajo, who accuses army dissidents of serving the extreme right. President [Vinicio] Cerezo, during his visit to the UN General Assembly in September 1989, said that extreme right wing groups were responsible for kidnapings, torture, and murder of trade unionists, journalists, and students and that former officers of the security forces might also have been involved.

The situation is grave, but the government's willingness to acknowledge problems is positive, and the institutionalization of democracy has made substantial gains. There is a high degree of press freedom in which even the guerrillas can publish at will. The government cooperated with the commission's visit and refused to impose a state of siege when violence peaked last summer.

Finally, the report also mentions reforms being attempted in the judicial branch under the tutelage of the president of the Supreme Court. The active role of the new human rights ombudsman and the new possibility of ending the guerrilla war through the peace talks initiated in Oslo in March 1990 are additional positive signs.

The friends of democracy should draw a sober but not defeatist conclusion from these facts. The will to improve human rights must be joined with the power to secure those rights.

Nicaragua. The commission gives special attention to Nicaragua's electoral campaign and vote, events the commission describes as "in themselves an important contribution to peace and respect for human rights." Somewhat modestly, the commission also notes that the release of the 39 persons excluded from the March 17, 1989 pardon "complied with the recommendation made repeatedly" by the commission.

The commission looks briefly at the post-electoral environment with a sense of the enormity of the task that lies ahead and makes two judgments we share in full. It trusts that the transfer of power and "positive experience with the exercise of political rights" will be applied to the political, economic, social, and cultural challenges ahead. And the report concludes with a reminder of the "responsibility of the international community" to support Nicaragua's new government.

It is perhaps proof of the commission's independent state of mind that it does not even mention one of the most striking contributions of the international community to national reconciliation in Nicaragua: the work of the OAS electoral observers and the OAS Verification and Support Commission (CIAV) under the leadership of Secretary General [Joao Clemente] Baena Soares. I congratulate Commission President [Leo] Valladares for including such a reference this morning. I would add that my government fully supports the demobilization of the Nicaraguan Resistance in accordance with existing agreements and accepts the leadership of the secretary general in supporting them.

Panama. The Panama chapter documents major improvements in the

human rights situation and in official responsiveness. The government has restored basic civil liberties and has devoted special attention to restructuring the security forces. The commission notes:

- The reestablishment of freedom of expression and right of association and restoration of news media that had been shut down or confiscated;
- The freeing of former military men and civilians who had been detained on charges of coup plotting or otherwise endangering public safety and who had, in most cases, been tortured;
- The launching or reopening of investigations into killings under the previous regime, including the Spadafora case;
- The decentralization of the security forces to ensure their compliance with the constitution; and
- The initiation of judicial and penal reforms.

The commission reports that it has recently received many fewer complaints and that the new government has responded to them promptly and satisfactorily. At the same time, the commission recommends government action in six areas, from the status of individuals detained after the US military action last December to measures to prevent recurrence of abuses like those described in the special report of September 1989.

We are encouraged that human rights concerns are being addressed by the new government. Several—such as protection against any renewal of military abuses and institutionalization of democracy—are the subjects of a series of government-proposed constitutional amendments currently before the Legislative Assembly, which has also been asked to revise the nation's judicial statutes.

The status of detainees remains a problem. Panamanian courts are overloaded with criminal cases, and there is a backlog of persons awaiting sentencing. Similarly, improvement of economic and social conditions for low-income Panamanians depends on overall economic recovery, especially reduction of high unemployment. The economic assistance recently approved by the US Congress—after considerable urging by President Bush—is designed to help alleviate both problems.

Paraguay. The report on Paraguay praises many positive actions taken by the [Andres] Rodriguez administration. At the same time, it notes legal and socio-economic difficulties that "hamper the full observance of human rights." This detailed report was enriched by a visit of the commission to Paraguay in response to an invitation extended by the Rodriguez administration shortly after assuming office.

The report notes many specific steps taken by the Rodriguez administration including:

- Repeal of laws used to jail dissidents;
- Judicial action against former officials accused of abuse and corruption;
- Elimination of official obstacles to the freedom of expression, thought, and association; and
- New guarantees of personal freedom, judicial protection, due process, political rights, and access to public office.

The commission also summarizes complaints made to the commission members who interviewed landless peasants, union leaders, and representatives of the approximately 50,000-member indigenous population. The commission praises the new government for ratifying the Inter-American Convention on Human Rights as well the UN and inter-American conventions against torture. The new electoral law, the new human rights committee in the Chamber of Deputies and the new National Commission to Coordinate Rural Development are also cited.

The commission sees the most serious failings in the area of judicial protection. It notes that 90% of the detainees in the country's major prison are still awaiting sentencing. In most cases, their trials had not been completed.

The report discusses legislative amendments to correct this problem, as well as government requests to the OAS and United Nations for human rights training to police and armed forces and the government's proposal to amend the constitution in 1992 to create a stable career system for judges.

My government endorses the findings of the commission, and welcomes the positive developments in Paraguay since the Rodriguez government took office. We congratulate the government of Paraguay for restoring respect for the fundamental freedoms that make a transition to democracy possible. We hope to see continued progress on remaining problem areas such as lengthy pre-trial detention.

Suriname. The report on Suriname is hard-hitting. There are accounts of arson, shootouts, attacks on government officials and property, attempted assassinations, and ongoing civil strife. The report draws two general conclusions about the situation in Suriname: "First, that the duly elected civilian authorities have no real control over the military situation in Suriname. Second, the army is the de facto power in the country."

My own government has observed that the Surinamese military, whose influence had diminished following the return to elected government, has "reestablished itself as the dominant political force in the country."

Clearly, conflict among different ethnic groups has been the source of much violence and deteriorating respect for internationally recognized norms of humanitarian conduct. Efforts to bring genuine peace to conflictive areas would greatly benefit the human rights situation.

The commission reports on the passage by the national assembly of a bill removing civil arrest powers from the military police. "Promulgation as law of this bill would constitute a first step toward the establishment of a true democracy in the sense that the military must be subservient to the elected civilian authorities." President [Ramsewak] Shankar has now signed this bill into law.

An Agenda for the 1990s

I would like to close with a few additional comments. I would like to express my congratulations to Leo Valladares (Honduras) and Edith Marquez (Venezuela) for their new positions as president and executive secretary of the commission and my government's genuine gratitude to their predecessors, Oliver Jackman (Barbados) and Edmundo Vargas (Chile). They have given us high expectations; we pledge to cooperate to make them reality. As the Permanent Representative of the United States, it is with great pride that I thank David Padilla, a US citizen, for his exemplary performance as acting executive secretary during the past 4 months.

Finally, a word about future directions. First, the commission's high

standards of professionalism, impartiality, and integrity must be maintained. Independence and non-partisanship are vital to the commission's effectiveness. My delegation concurs fully with the appeal by the distinguished delegate of Chile that the work of the commission not be politicized.

Second, the commission should, as [Deputy] Secretary Eagleburger indicated in his speech before the assembly, consider offering technical assistance and human rights training to interested member states and, with their consent, to their citizens. Our common democratic orientation provides an opportunity, indeed creates an obligation, to move from consensus to action, from high aspirations to practical measures. IACHR assistance might include, for example, training of governmental and nongovernmental human rights workers or organizations, training to strengthen judicial systems, advice on national legislation to protect human rights, and building safeguards to protect political rights. Such assistance might well be offered in coordination with the secretary general and senior secretariat officials charged with responding to requests from governments to support democracy.

In conclusion, let me note that the progress in democracy and human rights that we are witnessing is not the product of impersonal forces. If the prospects of freedom seem better than ever, it is largely because men and women everywhere—tradespeople, laborers, lawyers and journalists, churchmen and -women, and many others—have worked long and hard. One of the most moving moments in this morning's debate was the statement by the distinguished representative of Paraguay, describing the human dimensions of cooperation in the face of oppression and joy at the great progress that has taken place in this most beautiful land.

Human rights activists are prominent in freedom's forward movement. I salute them. And I add, with a sense of personal concern, that these very persons who are in the vanguard of the struggle for human rights are themselves, in all too many instances, the victims of human rights abuse. As human rights monitors themselves, I would hope that the members of the commission would make the situation of those activists in the hemisphere who are threatened and abused a special concern—either within upcoming country reports or perhaps as the theme of a separate chapter.

The activist human rights observer plays a role that is not always welcome. But it is a role that is indispensable to effective modern-day democracies—to governments which derive their strength from the steady popular support that can only be earned through strict accountability and continuing openness. Any abuse against any individual's human rights merits attention. This must hold for human rights activists and monitors as well. Their work is critical to the process of democratic consolidation now underway. ■

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John R. Bolton

Current
Policy
No. 1244

Human Rights Challenges in Central America for the UN

United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is an address by John R. Bolton, Assistant Secretary for International Organization Affairs, at the Department of State Human Rights Day ceremonies, Washington, D.C., December 7, 1989.

I am pleased to join with Dick Schifter [see Current Policy No. 1242] today in commemorating the human rights values which have nurtured us as a nation and which have served as a standard and as a goal for the international community. Forty-one years after the United Nations adopted the Universal Declaration of Human Rights, we meet here today amazed at the real impact the hopes embodied in the Universal Declaration have had upon the people of the Soviet Union and Eastern Europe. We have also watched with sadness, while people in other parts of the world struggle against great odds to realize their rights to freedom of expression and assembly. We meet here today knowing that while much has been accomplished, the challenges remain formidable.

How can we in the United Nations change the ugly face of human rights abuses? Today in Central America we are witnessing a process in which the linkage between human rights, genuine self-determination, and peace and stability has been made explicit. The Tela accords signed by the Governments of Costa Rica, Guatemala, El Salvador, Honduras, and Nicaragua expressly connect cessation of external support for insurrectionist groups; voluntary demobilization, repatriation, or regional relocation of the Nicaraguan Resistance; and the creation of an environment in Nicaragua, whereby the Resistance can return without fear of further abuses of human rights, and whereby all groups can participate in free and fair elections.

Open, Free, and Fair Elections for Nicaragua

We in this country, with a 200-year history of peaceful change of government through the electoral process, do not have to think about what free and fair elections require. We are fortunate that the institutions provided for in our Constitution or which have evolved over the years provide a framework for genuine elections.. The people of Nicaragua, sadly, are not so fortunate. And what is occurring now in Nicaragua sends a resounding message that an electoral process without the guarantees of human rights provided—for example, in our own Constitution—cannot be taken for granted.

Since coming to power, the Sandinistas have made it quite clear that the one thing they fear most is the possibility that the Nicaraguan people could vote their conscience in an unfetterred election. They have done their utmost over the years to avoid such a possibility. However, thanks to the diplomacy of the other Central American governments, and to the Sandinistas' own abundant cynicism and duplicity which have led to many blunders on their part, the Nicaraguan Government has signed on to an agreement which requires it to permit the holding of an open, free, and fair election next February.

Sandinista Violence Against the Opposition

It is not surprising that the Sandinistas are violating the spirit of the process which they have formally undertaken to support. Polls indicate that the Nicaraguan opposition, at first

fragmented and disorganized, has now evolved into a political force enjoying widespread support among the people of Nicaragua. As the opposition has coalesced, the Sandinistas have stepped up tactics designed to discredit, confuse, and intimidate the opposition and its supporters. Press reports detail incidents of open harassment, beating, threats, firebombings, smears, and even attempted murder directed against the opposition.

For instance, in the town of Pantasma on November 26, the opposition's vice presidential candidate Virgilio Godoy along with a group of supporters were stopped by soldiers. Godoy took the opportunity to complain to the soldiers that two of his supporters had been beaten and detained by the army. The soldiers responded that the opposition had been throwing rocks and their commander then threatened to open fire on Godoy and his party.

An opposition activist, Encarnacio Porras, was beaten by a Sandinista soldier following a rally in San Dionisio. The mobs of young toughs known as *turbas* that have been employed by the Sandinistas to cow the Nicaraguan populace throughout their rule are now actively involved in the election campaign. Our Embassy reports that at virtually every opposition rally *turba* gangs roam about throwing rocks, shouting down speakers and roughing up supporters. Several opposition activists have been attacked by *turbas* who have inflicted severe injuries. Sandinista officials have not even attempted to veil threats intended to prevent the opposition from campaigning. For instance, the Sandinista mayor of Nandaime warned prior to a rally scheduled for November 19 that if the event occurred "there will be blood, there will be death."

These and other incidents too numerous to mention now present a clear pattern of abuses designed to interfere with the open, free, and fair electoral process that the Sandinistas are pledged to uphold. Meanwhile, they have stepped up international pressure to force the *contras* to accept their vague assurances that there will be no recriminations, no further human rights abuses of the *contras* and their families should the Resistance lay down their arms and return to Nicaragua as refugees.

UN Election Monitors

The UN Security Council has given a clear mandate to the UN election monitors for Nicaragua. This mandate includes the obligation to raise all incidents that violate or interfere with the principle of free and fair elections. We are working closely with Ambassador Elliot Richardson, who heads the UN monitors, to ensure that the types of violations I have described are noted and raised with the Sandinistas. Ambassador Richardson will be required in February to certify that the elections and electoral process conform to the letter and spirit of the Tela agreement. Given the current situation, he will need to work very hard in the next few weeks to be in a position to do this.

The relationship among the enjoyment of those human rights described in the Universal Declaration of Human Rights, democratic process, and regional peace and stability in Central America is inescapable, for us, for the United Nations, and for the governments of Central America. The Central American peace process depends on the ability of the people of the region to express their wills through free and fair elections which in turn require such fundamental human rights as a free press, freedom of speech, of assembly, of worship. The United Nations has the opportunity to make a lasting contribution to the welfare of all the people of Central America. It will require forthrightness and toughness to ensure that this opportunity does not fall by the wayside.

Cuba's Human Rights Abuses

Cuba is in many respects the source of Central America's problems. It is Fidel Castro's Cuba, of course, that the Sandinistas have modeled themselves upon politically and militarily. As communist regimes throughout the world are being repudiated by their own citizenry, it is highly ironic that Castro remains dinosaur-like—able to resist in his own domain the changes sweeping the rest of the world.

Three years ago the United States launched a campaign to call the world's attention to the nature of the gross and systematic human rights violations that form the underpinnings of Castro's power over the Cuban people. We still believe that the spotlight afforded by a UN human rights investigation affords one of the best ways to affect Castro's behavior. The UN Secretary General has received a mandate from the UN Commission for Human Rights to raise cases of human rights violations with the Cuban Government. We are working closely with the UN Center for Human Rights to ensure that the Secretary General has the details of human rights abuses in Cuba, and we look to the Secretary General to forcefully pursue his mandate.

The Unitary UN Approach

Our approach to human rights in the United Nations is a major facet of what I call the unitary UN. As I have described, we need to be mindful of the interrelationships among human rights, democracy, and international peace and stability. In the United Nations, we are constantly on the lookout for ways to hammer home these interrelationships. We make human rights concerns an aspect of what we seek to do throughout the UN system whether it is in economic or social forums. ■

U.S. DEPARTMENT OF STATE

Office of the Assistant Secretary/Spokesman

For Immediate Release June 18, 1990

PRESS CONFERENCE BY
SECRETARY OF STATE JAMES A. BAKER, III
FOLLOWING MEETINGS WITH CENTRAL AMERICAN PRESIDENTS

Ramada Inn, Antigua, Guatemala
Monday, June 18, 1990

SECRETARY BAKER: Ladies and Gentlemen, I have a statement and then I'll be delighted to respond to your questions.

As I said to the six Presidents this morning, they have completed I think, an historic summit meeting, and it is a symbol of the changes that are transforming this region. For the first time in history, all of the Presidents attending their summit have been democratically elected. Also, for the first time, the principle subject for discussion is regional economic development, not the resolution of conflicts. And, of course, Panama is attending for the first time.

Here in Antigua, the Presidents have adopted a far-reaching agenda for regional economic integration and development and we congratulate them on this achievement. When President Bush took office this was a region in crisis and many argued that the United States faced only two choices -- accommodation to dictatorship or disengagement.

President Bush instead has pursued a new regional policy with four elements. First, support for the regional peace process begun in Esquipulas. Secondly, enlisting the cooperation of the Soviet Union to end the conflicts in this region. Third, engaging our European allies and Japan in support of regional democratization and development. And fourth, building a bipartisan base in the United States for our policy toward Central America.

We believe that this region has an historic opportunity today to realize three goals: democracy, disarmament and development. We also recognize that there are fears in Central America that the United States and the industrial democracies will be diverted by the changes in Eastern Europe and ignore this region at this moment of historic opportunity.

I'm here today at the request of President Bush to make it very clear that the United States will continue to be fully engaged and fully supportive of this regional peace process. That's why we are exploring with Japan, with the European community, Canada and other industrial democracies, possible ways to achieve more support for democracy and development in Central America. I have discussed these proposals with the six Presidents and they tell me that they welcome this effort. We will continue to consult closely about the best way to proceed.

The bottom line, I think, is this -- Central America is poised as never before to consolidate democracy, achieve lasting peace and disarmament, and create the conditions for growth and opportunity in which all of the peoples of this region, particularly the poor, can share.

The United States wants to do everything that it can to help this region's leaders seize this historic opportunity.

Any questions?

Q: An American official today said that he felt that the arms levels in Central America were excessive and pointed to Costa Rica as an example to be emulated in the future. I would like to ask you Mr. Secretary, if you agree with that and if you think that the help to be offered by the G-24 will have to be preceded by cuts in both levels in armaments and troops in the region?

SECRETARY BAKER: I would not anticipate that the G-24 would expressly condition their willingness to support democracy, disarmament and development, by requiring total disarmament in advance. So I would not see that as an absolute pre-condition. Costa Rica, of course, has a rich tradition of pursuing democracy and freedom and disarmament and it is a tradition that the United States has supported for many, many years in the past and continues to support.

Remember, there are three goals: democracy, disarmament and development. And in trying to encourage additional support from the G-24, we would be trying to encourage support for all three goals.

Q: I understand that the G-24 is not going to operate on the basis of pre-conditioning, but there will be some kind of ordering of assistance on the basis of pre-defined projects. Isn't that right?

SECRETARY BAKER: Yes, and there will be as it appropriately should be, conditionality with respect to G-24 efforts, just as there is conditionality with respect to the efforts the G-24 has made to support democracy and freedom in Eastern Europe. For example, there were certain events in Romania here during the course of the last several days which did not move in the direction of respect for human rights, freedom and democracy. And the G-24, at least for the time being, put on hold or temporarily suspended its efforts with respect to Romania.

Q: In the past when the United States participated in efforts of this kind it imposed a number of conditions, one of which was the establishment of democratic regimes. I would like to ask in this case, what requirements the United States intends to impose in order for countries to get assistance and get it on a timely basis, because the pressure of poverty and misery in the countries at this time does not allow them to continue under the present circumstances.

SECRETARY BAKER: First of all, if it was a cooperative effort through the G-24, whatever conditions were imposed would be imposed through the cooperative efforts of the G-24 countries and not just the United States. But, secondly, the United States conditions its assistance now on respect for human rights, freedom, democratic traditions and we make no bones about that. We're quite proud of that, because these are principles that we believe very strongly in. Furthermore, we believe these principles more and more are being adopted by countries around the world, not just in Eastern Europe, not just in Central America, but indeed in Africa and Asia as well.

Q: In order to cooperate in this disarmament effort is the United States willing to reduce its military aid to El Salvador, for instance, and the presence of its military advisors?

SECRETARY BAKER: Well, the United States only has 55 advisors there and that's the same number we had, if I'm not mistaken, when I first came to Washington with President Reagan in 1981. But further to the point of your question -- the United States is for the first time willing to condition its military assistance to El Salvador and we are in the process of having discussions with our Congress to that effect now. We should be careful not to interpret that in the wrong way. There is a major insurgency going on in El Salvador in which some are seeking to reverse the results of the ballot box with bullets and bayonets. That's not our idea of democracy and that's not our idea of an approach to freedom.

Q: Mr. Secretary, you mentioned the Soviet Union and I would like to ask you what might be the political and economic contribution of the Soviet Union to the development of Central America to which the United States and the other countries in the G-24 are going to be contributing?

SECRETARY BAKER: Well, hopefully, the Soviet Union will stop supporting regimes in this hemisphere that support attempts to reverse decisions at the ballot box with bullets and bayonets, as I said a moment ago. The Soviet Union has indicated to us that they are prepared to do this, and so we hope that's one contribution. We think it was a contribution with respect to what happened in Nicaragua. We've had discussions with the Soviet Union about the prospects of their continuing the assistance to Nicaragua that they furnished during the period of time of the Sandinista government. We make the point that it would be nice to see them support a freely, democratically elected government in this hemisphere since they themselves now profess to support the idea of democratization. We'll see whether or not they're able to do that although they've indicated to us some prospect that they will be able to continue some assistance to this freely elected democratic government in NIcaragua.

Q: Thank you.

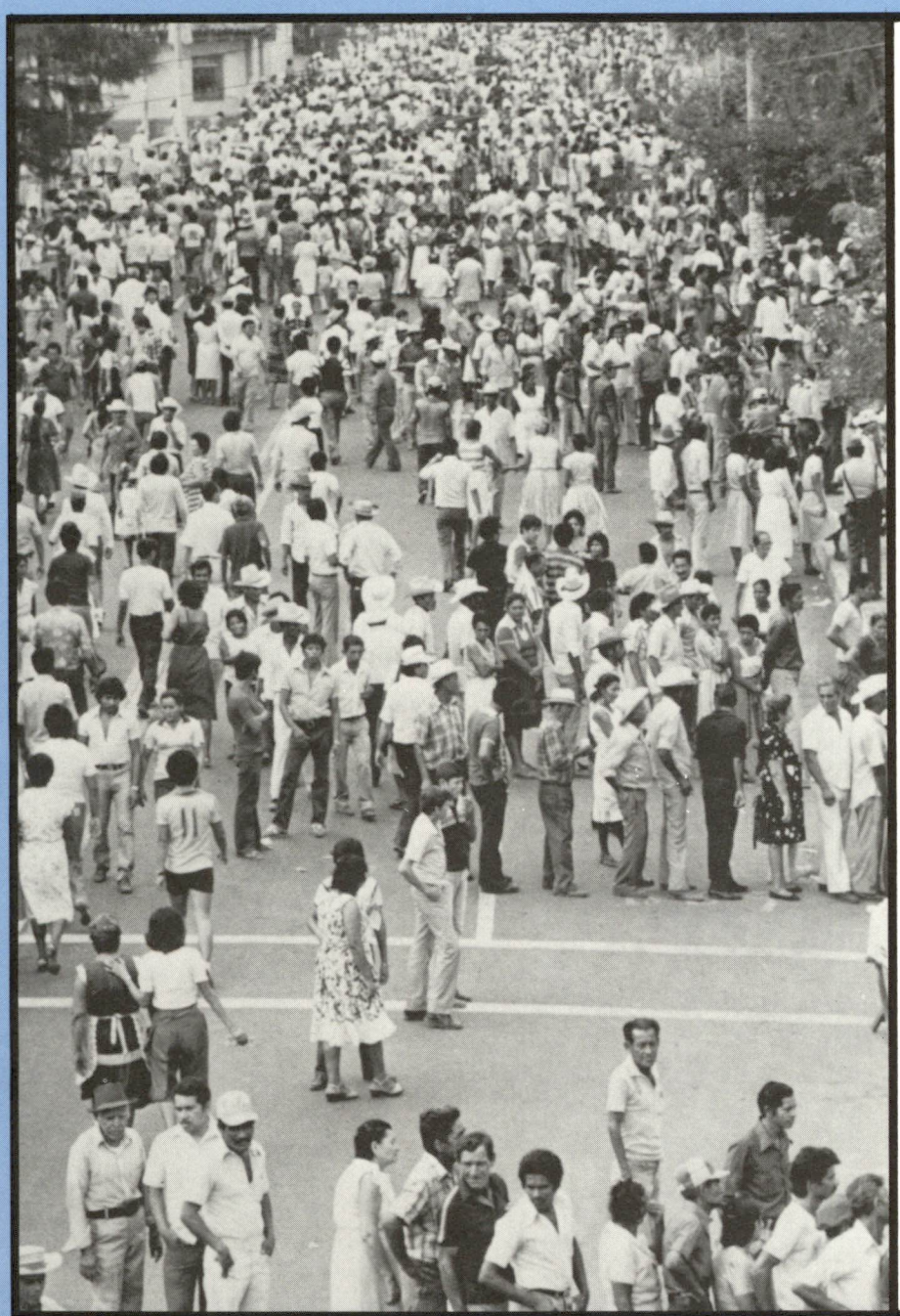
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Democracy in Latin America and the Caribbean: The Promise and the Challenge

Special Report No. 158

United States Department of State
Bureau of Public Affairs
Washington, D.C.

March 1987



"Latin America's extraordinary effort to create a democratic order is the most stunning and moving political fact of recent years."

José Sarney, President of Brazil,
Address to the UN General Assembly,
September 23, 1985

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Cover photo: © UPI/Bettmann Newsphotos

Recent moves toward more democratic systems of government in Latin America are now a decade-long trend that has led to the replacement of numerous military regimes or dictatorships (see map at centerfold). In the United States during the same period, considerations of human rights, the dignity of the individual, and the defense of freedom have led to a widening bipartisan consensus in support of democracy as a key principle of U.S. foreign policy.

These converging trends create a rare opportunity. If sustained, they could have profound implications for the future of the Western Hemisphere. At a minimum, their continued convergence can make possible a new era of greater cooperation in hemispheric relations.

The instability of past Latin American development and the discontinuity of U.S. policy toward its neighbors make clear that this long-term promise is still just a possibility. Today's converging trends are real, but they are also fragile. Latin Americans continue to struggle with numerous and urgent obstacles to full democratization, including appalling differences in the living standards of rich and poor, inadequate economic opportunities, and political extremism. To help turn today's promise into tomorrow's reality, the United States also must overcome many domestic problems and conflicting priorities that hinder sustained U.S. support for democracy in Latin America and the Caribbean.

Both the democratic promise and the challenges to it have become more sharply defined since the Department of State first reported on the democratic transition nearly 3 years ago (see "Democracy in Latin America and the Caribbean," Current Policy No. 605, August 1984). This report was prepared in the Bureau of Inter-American Affairs.

Latin America and the Caribbean

RECENT ACHIEVEMENTS

Since the early 19th century when most of the nations in the hemisphere achieved independence, most people living in the region found that national independence did not necessarily bring individual freedom. Today's democratic advances, however, could mark a watershed between a past of instability and authoritarianism and a future of greater freedom.

Just a decade ago, such a possibility seemed remote indeed. In 1976, only 34% of the people in the Western Hemisphere outside the United States and Canada enjoyed democratic rule. True, Costa Rica had a strong tradition of civilian authority, competitive politics, and model constitutional arrangements for elections. But Costa Rica's neighbors in Central America were presided over

> ***"Man's capacity for justice makes democracy possible, but man's inclination to injustice makes democracy necessary."***
>
> **Reinhold Niebuhr**

by generals who had become presidents either by open use of force or by stage-managed elections. In South America, democratic Venezuela and Colombia were almost as isolated. Led by generals as different as Chile's Augusto Pinochet on the right and Peru's Juan Velasco on the left, the continent was almost defiantly militarized. The promise of Bolivia's national revolution of the 1950s had given way to military dominance, as had Uruguay's social democratic utopia. Even decentralized and moderate Brazil was under military rule. Individual Latin Americans bearing witness to torture and official violence were in exile throughout the Americas and Europe. When internal war and repression in Argentina were followed by surprise military action in the Falklands/Malviñas Islands, many saw a pattern that symbolized a region condemned to military abuse and antidemocratic practice.

In marked contrast, today 91% of the people of Latin America and the Caribbean live in nations committed to a future based on democratic principles. In 10 years, 10 countries have moved, often dramatically, toward democracy. In nine of the ten, military presidents have been replaced by elected civilians: Argentina (1983), Bolivia (1982), Brazil (1985), Ecuador (1979), El Salvador (1984), Guatemala (1986), Honduras (1982), Peru (1980), and Uruguay (1985). In the 10th country, Grenada, an elected civilian succeeded two consecutive autocrats who were themselves civilians but who had relied on armed thugs to rule. (In an 11th country, Panama, direct military rule ended in 1978, but in a clear setback for democracy in 1985, a civilian president was pressured to resign by the military.) In the Caribbean Basin, the six former British dependencies—Antigua and Barbuda, Belize, Dominica, St. Christopher and Nevis, St. Lucia, and St. Vincent and the Grenadines—that became independent nations during the past decade did so as democracies.

The following examples of electoral politics where there were none just a few years ago highlight the progress that has been made from the Caribbean to Tierra del Fuego and from Central America to the Andes.

Argentina. The 1983 presidential and legislative elections ended a decade of internal conflict and military rule. Voter participation exceeded 85% of those registered in an open contest among eight political parties representing the full political spectrum. The presidential race offered a choice between candidates from Argentina's two major historic movements, Peronism and Radicalism. In winning, Radical Civic Union leader Raúl Alfonsín received the most votes in Argentine history. In the two ensuing years, voter registration increased by an additional 4%, and the 1985 legislative elections again attracted massive participation.

Brazil. Congressional and municipal elections in 1982 heralded the transition to civilian government and the resurgence of competitive electoral politics in Latin America's largest country and the world's third most populous democracy (after India and the United States). The percentage of adults who voted rose



The richness and variety of democratic life in Latin America and the Caribbean are symbolized by four elected political leaders. Eugenia Charles (top left), head of the center-right Dominica Freedom Party and Prime Minister of Dominica; José Napoleón Duarte (top right), Christian Democratic reformer and President of El Salvador; Victor Paz Estenssoro (bottom left), founder of the Nationalist Revolutionary Movement and three-time President of Bolivia; and Raúl Alfonsín (bottom right), leader of the Radical Civic Union Party and President of Argentina. (Photos of Duarte, Paz, and Alfonsín courtesy of the Organization of American States)

from 45% in 1962 to 81% in 1982. A civilian president was elected by indirect vote on January 15, 1985, but died before his inauguration. In accordance with legal procedures, the civilian Vice President-elect, José Sarney, was sworn in, ending two decades of military rule. The democratic transition is being completed with the writing of a new constitution by the Congress elected in November 1986 by more than 47 million voters.

Dominican Republic. The ruling party expected to retain the presidency and to control the legislature in the May 1986 national elections. But after 70% of the registered voters cast their ballots, the opposition candidate had the most votes. When the leader of the opposition, Joaquín Balaguer, became president in August 1986, the entirely peaceful transfer of power was a reaffirmation of Dominican democracy. The absence of either interference by the military or outside intervention also contrasted markedly with past Dominican history, which includes the 31-year Trujillo dictatorship, a military operation by the United States and the Organization of American States in 1965, and overt pressure from the United States for all sectors to support the results of the democratic elections in 1978.

El Salvador. Four times in 5 years, massive numbers of voters braved violence and threats of violence to cast their ballots in hotly contested nationwide races conducted under intense international scrutiny. In 1984, an absolute majority of all adult Salvadorans twice defied guerrilla appeals for a boycott to vote in the first truly competitive presidential elections in 12 years. The result: civil engineer and Christian Democratic leader Jose Napoleon Duarte—the very man who had been denied the presidency by the military in 1972—was elected over retired Army Maj. Roberto D'Aubuisson and six other candidates.

Grenada. After the Marxist New JEWEL Movement seized power in a 1979 coup, it reneged on its promise to hold elections. In October 1983, however, the New JEWEL's "People's Revolutionary Government" disintegrated in bitter factional fighting. Prime Minister Maurice Bishop and three other ministers were assassinated by their own comrades. At the invitation of Governor General Sir Paul Scoon, a joint U.S.-Caribbean military expedition restored order, then withdrew, leaving a provisional government named by Grenada's Governor General to organize free elections. On December 3, 1984, 85% of Grenada's registered voters went to the polls to elect a parliament. Six political parties were on the ballot, including one formed by supporters of Maurice Bishop and one backed by former Prime Minister Eric Gairy (whose violent overthrow had initially enabled Bishop to seize power). Neither of these groups was successful: the New National Party garnered roughly 58% of the vote, and Herbert Blaize formed a new government in accordance with the 1974 constitution.

Guatemala. Seeking a political path out of Guatemala's internal violence and international isolation, military leaders in 1983 decided to transfer power gradually to civilians. On July 1, 1984,

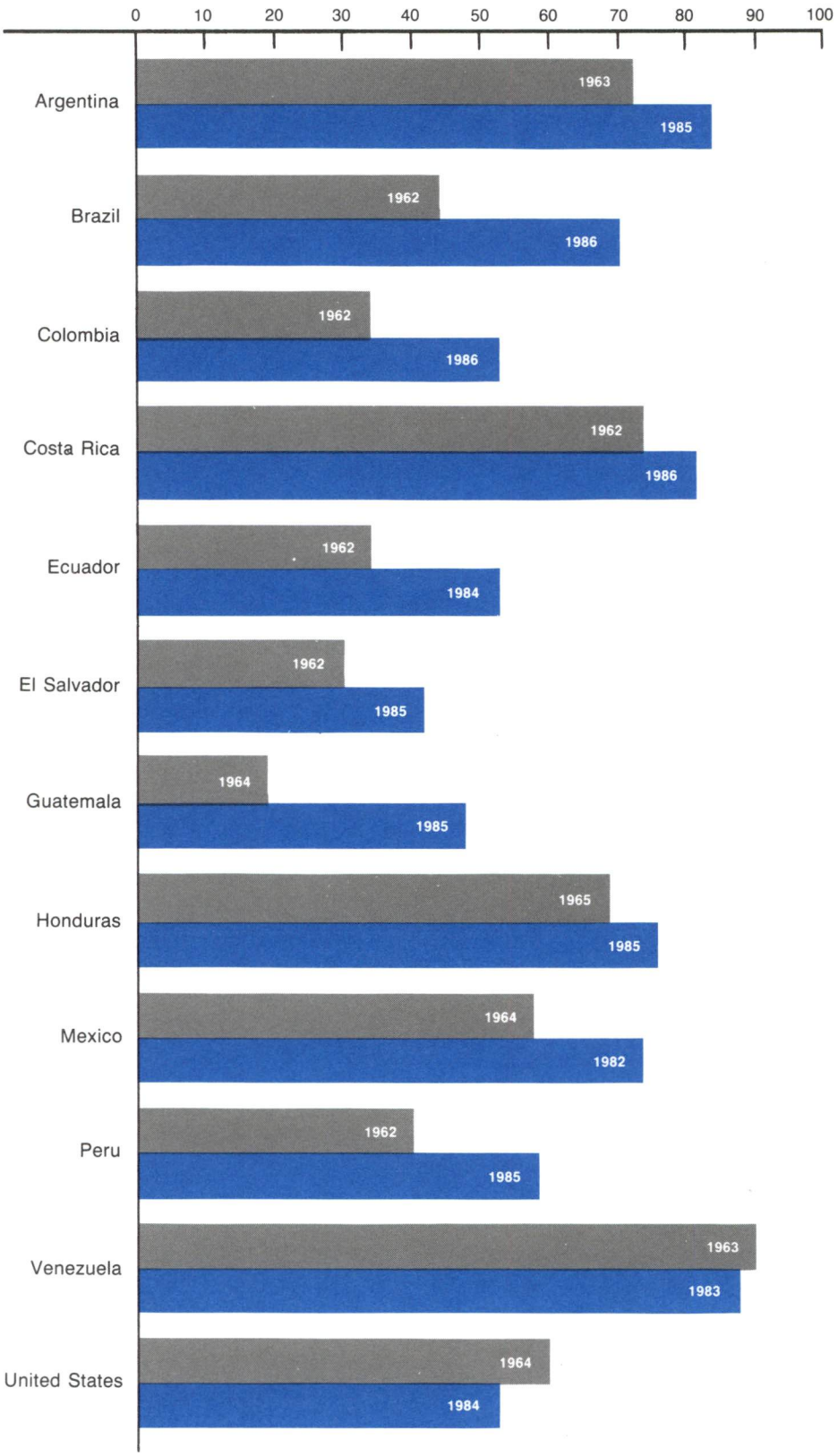
72% of Guatemala's eligible voters cast ballots that sent representatives from nine political parties and one regional civic committee to a constituent assembly. On November 3, 1985, free elections were held for president, vice president, congressional deputies, and mayors. When no candidate for the presidency received a majority, a runoff was held on December 8, 1985, between the two leading contenders, both civilians. In that contest, Christian Democrat Vinicio Cerezo won more than 68% of the vote. On January 14, 1986, the new constitution came into force, Cerezo was inaugurated, and military control over daily life in Guatemala was sharply reduced.

Peru. After 12 years of military rule, the 1979 constitution and 1980 presidential elections put Peru back on a democratic course under civilian leadership. Since then, municipal (1983 and 1986) and presidential (1985) elections have followed prescribed constitutional and legal procedures. In 1985, more than 91% of Peru's registered voters divided their ballots among candidates representing 12 political parties. Alán García became the first member of Peru's historic American Popular Revolutionary Alliance (APRA) party to be elected president. He also became the first elected civilian since 1945 to receive Peru's presidential sash from another elected civilian.

Uruguay. Uruguay returned to democratic government in March 1985 following 12 years of military rule that had tarnished a record of freely elected civilian government dating back to the 19th century. More than 87% of the nation's eligible registered voters cast their ballots in national elections in which two major political parties and a leftist coalition competed.

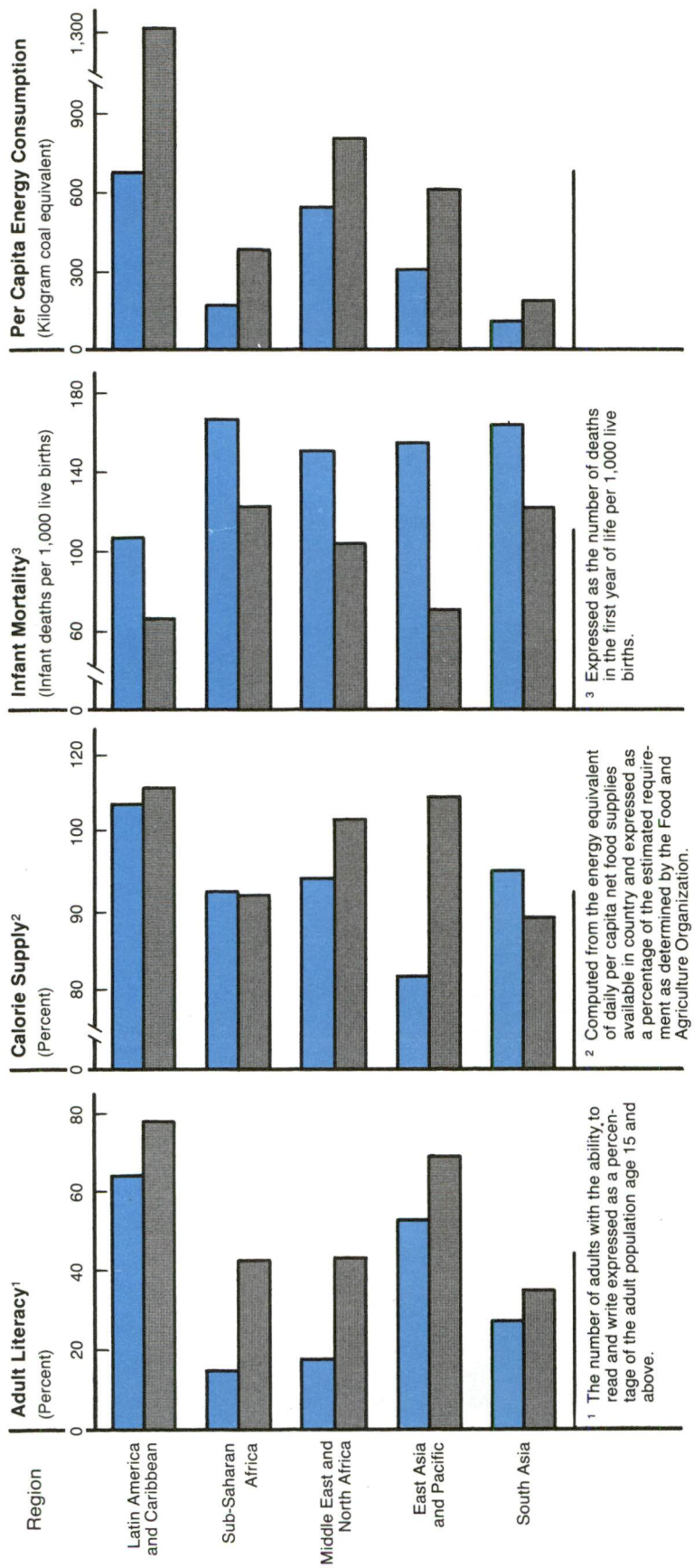
The swell of democracy is not superficial. It has been welcomed by electorates which have organized, campaigned, and voted in record numbers throughout the region. Since 1980, voters in 24 independent countries of Latin America and the Caribbean have cast more than 280 million votes in more than 50 nationwide elections to select presidents, national legislatures, and constituent assemblies. In virtually every case, the number of people going to the polls reached record highs.

Growth of Voter Participation in Selected Countries[1]



[1]Estimates based on votes cast as a percentage of total population age 20 or over as reported in the *United Nations Demographic Yearbook* for the year in question.

Regional Comparison: Indicators of Living Standards, 1960 and 1980



Source: World Bank, *World Tables*, 1983 (3d ed.).

Compared to the 1950s and 1960s, the proportion of eligible voters actually going to the polls has been up sharply, in some cases by as much as 50%. Nor have the increases resulted from forced voting. Turnouts were as high or higher in some countries where voting is not mandatory (85% in Grenada in 1984 and 89% in The Bahamas in 1982) as in some countries where voting is traditionally compulsory. Where voting is required, the historic form of voter protest, the incidence of blank or defaced ballots, tended to diminish substantially as voters gained the opportunity to vote for genuine alternatives.

Democracy, of course, is more than free elections. But its essence is the right of citizens to decide regularly whether to keep or replace those who claim to represent them. The absence of genuinely free elections in Chile and Paraguay, patently unfair elections in Nicaragua, and allegations of vote fraud in Mexico and Panama are major continuing difficulties. Cuba has not held a single direct popular election for national office since Castro came to power in 1959.

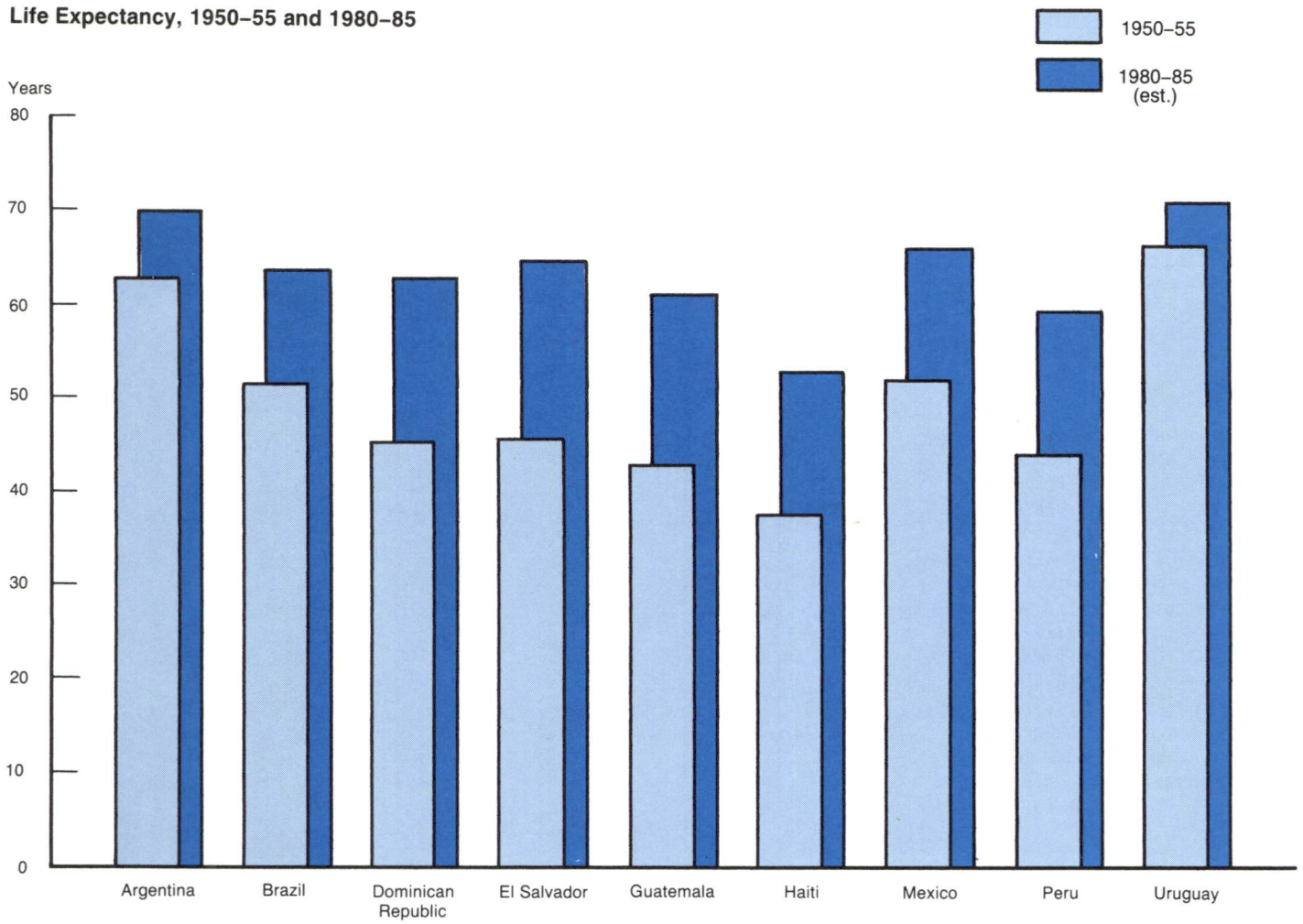
Though Latin America's recent electoral record is still far from perfect, the changes that have already taken place have made an enormous difference for millions of Latin Americans. Most of the brutal dictatorships are gone. Latin America's longstanding democracies—Costa Rica, Venezuela, and Colombia—no longer are isolated. On the contrary, it is the authoritarian regimes that are becoming isolated. Cuba and Nicaragua on the totalitarian left, and Chile and Paraguay on the authoritarian right, are the only major exceptions to the trend. Even Haiti, perhaps the most compelling case of a country plagued by brutal dictatorship and the degrading economic deprivation that it generated, has taken the first steps toward democratic government following the ouster of the Duvalier dynasty on February 7, 1986.

ROOTS OF CHANGE

The shift away from authoritarian regimes (typically dominated by military leaders) to freely elected governments (typically led by civilians) reflects many forces, some of them quite transient. But more lasting underlying forces have been at work as well.

Social change and economic development, the growth of institutions, and political and cultural shifts have com-

Life Expectancy, 1950–55 and 1980–85



Source: CEPAL, *Informe de la Reunión Regional Latinoamericana Preparatoria de la Asamblea Mundial sobre el Envejecimiento,* San José, March 31, 1982.

bined to weaken the old power centers and add new ones. Influences from outside the region also have been important. This section describes the many factors increasing Latin America's capacity to sustain democracy; the next section discusses the many problems with which democrats must still contend.

Improved Socioeconomic Conditions

Latin American societies are scarred by poverty and sharply unequal distribution of opportunities and services. Yet, over the last two generations, standards of living (as measured by infant mortality, literacy, nutrition, and energy consumption) have improved more dramatically in Latin America and the Caribbean than in any other region in the developing world (see charts, p. 4).

Between 1960 and 1980, per capita income doubled despite rapid population growth. Throughout Latin America, urbanization, industrialization, and institutional development broke down old class structures and spurred the growth of middle classes. Values and attitudes developed that foster political participation and make dictatorships harder to sustain.

This increased potential for democracy cannot by itself guarantee that democracy will be achieved or maintained. Moreover, recent declines in gross domestic product have created a host of problems (discussed in the next section) that pose serious challenges to the democratic transition. But the development that has taken place is undeniably improving the base necessary for democracy to prosper.

Education. Improvements in education have outstripped increases in population. The percentage of primary school-age children attending school increased from 57% in 1960 to 82% in 1980. In 1960, only 35% of the region's children aged 12–17 were enrolled in school; a mere 6% of the university-age population attended universities and technical schools. By 1980, these figures were 63% and 26% respectively. These gains account for the 79% adult literacy

rate for the region in 1980. Such successes have increased political awareness, increased expectations about the role of government, and expanded economic opportunities for workers and entrepreneurs.

Health. Lowered infant mortality rates and increases in life expectancy have combined with the virtual eradication of once-common debilitating diseases such as poliomyelitis to improve general health conditions. Healthier individuals have more opportunity to develop political interests, as well as greater energy to devote to political involvement.

Urbanization. Once overwhelmingly rural, Latin America has urbanized faster than the rest of the developing world. In 1950, only seven cities in the region had populations larger than 1 million; by 1980, the number had climbed to 25, and this figure could double by the end of the century. About 37% of Latin America's population resided in urban areas in 1950. Today, more than two-thirds of the region's people are city dwellers. Urbanization has eroded the rural power base of the traditional landed elite, while simultaneously facilitating communication and political participation.

Institutional Development

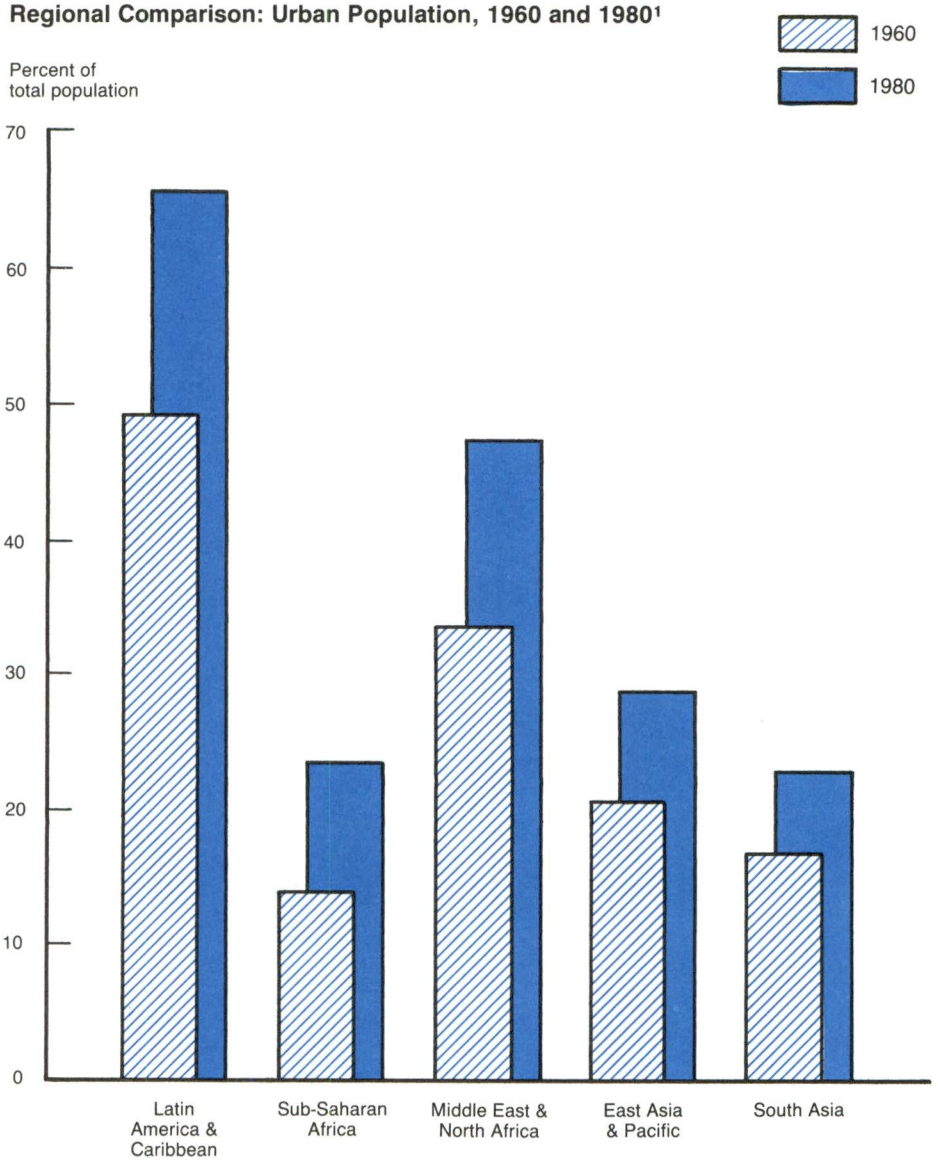
The spread of education and industrialization have transformed old institutions and created new ones. Both public institutions (military forces, government bureaucracies, and national universities) and private institutions (the church, political parties, private universities, trade unions, and major corporations) have been affected.

The evolution of religious and military institutions—"the cross and the sword" of the Spanish conquest and key pillars of traditional order ever since then—illustrates the new values, organizational diversity, and reduced power of individual *caudillos* that have increased space for democratic politics.

In the quarter century since Vatican Council II, Latin America's Roman Catholic bishops have tended to act as social critics, leading the church to positions open to change and independent of secular authorities. Together with the spread of Protestantism, this has encouraged political as well as religious diversity.

The armed forces, meanwhile, have become less tied to economic elites and more professional. Despite ever-present rewards for strong individual leadership, military leaders must deal with their fellow officers within an institutional framework. The road to command is now usually as much a function of technical competence, bureaucratic skill, and coalition building as it is of personal magnetism or direct troop command.

Regional Comparison: Urban Population, 1960 and 1980[1]



[1] As defined by individual countries.

Source: World Bank, *World Tables*, 1983 (3d ed.).

Political and Cultural Changes

Mass Communications. Radio has given virtually every household in Latin America and the Caribbean access to information previously reserved to the traditional elites. More people are reading an ever-growing variety of newspapers, magazines, and books. And except for the few people isolated in remote regions such as the Amazon Basin or Patagonia, almost everyone has at least occasional access to television.

Improved access to information and ideas has raised expectations and increased pressures for participation and political change.

Democratic Activism. Aspirations for greater political participation have tended to combine in recent years with rejection of the violence and abuse of political extremists and dictatorships of both left and right. Volunteer civic education programs, such as the Argentine organization *Conciencia* (see box, right), have proliferated. By informing people of their rights and responsibilities as citizens of a democracy, civic movements draw more people into the political process.

Momentum. With each election, the right to choose becomes more institutionalized, establishing habits of pluralistic political practice that widen voter participation and broaden support for democratic government. Each election increases political activism, as more citizens take part in civic education programs, serve as poll workers, campaign for candidates, or run for office. With each peaceful transition from one civilian government to its successor, the democratic machinery is further refined and improved.

External Influences

U.S. Policy. Under two very different administrations since the mid-1970s, the United States has sought to encourage democratic transitions in Latin America. Under the Administration of President Jimmy Carter, support for human rights was the guiding principle. During the Administration of President Ronald Reagan, the emphasis shifted toward a policy championing the broader values of democracy. The practical effect was one of substantial bipartisan continuity. Bolivia and El Salvador, for example, were both very controversial at the time of the 1980–81 transition between the Carter and Reagan Administrations. In both cases, the United States consistently supported democratization to successful outcomes. By 1986—when the U.S. offer to transport Jean Claude Duvalier out of Haiti helped prevent further bloodshed and proved a key factor in Duvalier's decision to step down—few doubted that democracy was one area where the U.S. Executive and Congress had found common ground.

Conciencia and the Future of Democracy

In August 1982, on the eve of Argentina's return to civilian government after 8 years of military rule, 22 women organized a grassroots movement to help the nation prepare for the general elections. Today, *Conciencia* (Awareness) has more than 8,000 members engaged in countless projects to educate Argentines about their rights and responsibilities as citizens of a democracy.

Conciencia's goal is to train the nation's citizens, particularly its women, to participate actively and effectively in political and community life. In addition to courses in basic civics, civic leadership, and political participation that emphasize consensus building, *Conciencia* sponsors lectures and exhibits on various domestic and international topics, publishes a series of educational pamphlets, and produces "public service" announcements for radio and television. All activities are nonpartisan.

Conciencia's success has motivated similar women's groups in several Latin American countries. At the request of a group in Montevideo, Uruguay, *Conciencia* helped establish the Uruguayan organization *Encuentro* (Encounter) in 1985. *Conciencia* has also provided assistance to a sister organization of the same name in São Paulo, Brazil. Requests from groups in Bolivia, Chile, and Peru have prompted *Conciencia* to organize the First South American Meeting on Civic Education and Participation, scheduled for September 1987 in Buenos Aires. Participants from 10 countries are expected to attend.

Conciencia receives financial support from corporations, local foundations, and the U.S. National Endowment for Democracy (NED), established by Congress in 1983 to support the development of democratic institutions around the world. NED support for *Conciencia* has been managed by OEF International, originally established as the overseas arm of the U.S. League of Women Voters. The NED also is assisting other civic education organizations in Dominica and the Dominican Republic and is a major source of funding for the Buenos Aires conference.

The impact of *Conciencia* on civic education at the grassroots level is a measure of the powerful attraction of democracy as both a political system and a way of life. It has inspired thousands in Latin America, drawn primarily from the middle class, to make a personal investment in democratic government. *Conciencia's* success demonstrates that democratic solidarity across borders can be eminently workable.



The Board of Directors of *Conciencia* meets in Buenos Aires. (© *The New York Times*/Daniel Merle)

Iberian Examples. Despite frequent political disagreements, most Latin American countries have cultural and emotional affinities to Spain and Portugal rooted in the colonial experience. The demise of authoritarian military regimes in the two Iberian "mother" nations during the mid-1970s added impetus to democratic forces in Latin America. The subsequent consolidation of democracy in both countries provided democratic models to complement that of the United States and those of Latin America itself.

Failed Alternatives. Democracy also has profited by negative examples. The military development model (generally dubbed "Nasserist" for its Egyptian variant despite its prevalence in Latin American history) has taken a severe drubbing along with military dictatorships in general. And the evident misery inflicted on the people of Cuba by the rigid political and economic controls imposed by Castro's regime inspires little willing emulation.

Outside the hemisphere, calls for political and economic freedom in Poland, student demonstrations in China, and the replacement in the Philippines of President Marcos by the popularly elected Corazon Aquino, also have bolstered the belief that democracy is the tide of history.

FACING THE CHALLENGES

Though recent progress is undeniable, democracy's future is far from secure. Such factors as literacy and organizational potential are necessary ingredients of democratic politics, but they are not sufficient. Like Europe's experience with nazism and fascism, Latin America's history demonstrates that wealth and a widely educated citizenry are not necessarily incompatible with dictatorship—consider the records of Argentina, Chile, and Uruguay. Socioeconomic development is not enough by itself to avoid dictatorship or turn authoritarianism into democracy.

Many observers of the Latin American scene see the region caught up in a perpetual cycle of instability in which elected civilian governments lose the authority to govern and give way to authoritarian military regimes, which, in turn, lose legitimacy and give way to a repetition of the cycle. In this view, the democratization described in this report is superficial and transient, the product of "time-for-a-change" swings induced by the failure of authoritarian regimes to cope with economic and social problems, their abuses of human rights, and plain political exhaustion. Similar swings took place after World War II and again in the late 1950s and early 1960s. Each time, the pendulum swung back again.

Is recent progress just the latest swing in an endless cycle? Or do the nations of the region finally face a real opportunity to maintain their democratic momentum? This section attempts to contribute to an answer by analyzing five key problems that impede democratic consolidation.

Militarism

Military leaders and institutions played key positive roles in the democratic transition in several countries, notably Brazil, El Salvador, Guatemala, Honduras, and Uruguay. In several countries, moreover, military leaders have sought changes in their relations to civilian institutions that would reduce pressure on the military and provide a more stable political balance. For their part, while recognizing their debt to particular military leaders, the new democratic governments have generally sought to strengthen civilian authority over the military institutions.

The results have included a historic low in the frequency of military coups. Legal provisions prohibiting or limiting military participation in politics are more common, as are arrangements increasing civilian participation in matters previously reserved to the military. In Guatemala, new military statutes require an officer to be off active duty for 5 years before running for public office. In Argentina, civilians now occupy key positions in the Ministry of Defense, including those responsible for the defense budget. In Peru, the 1933 constitution gave the military what could be interpreted as independent authority to decide the meaning of the constitution itself; the 1979 constitution eliminated this provision and states explicitly that the armed forces are subordinate to constitutional authority.

Two incidents make clear, however, that military pressures remain a threat to democracy.



President Vinicio Cerezo of Guatemala and his wife are greeted by Army Chief of Staff Gen. Hector Gramajo on their return from Europe in October 1986. (Photo courtesy of *Depto. Información y Divulgación del Ejército, Sección de Relaciones Públicas*, Guatemala)

Two Democrats Betrayed



José Martí

The poet-essayist José Martí is revered in much of Latin America as Cuba's national hero and the inspirational hero of Cuba's independence from Spain.

Born in Cuba in 1853, Martí was just 16 when he was arrested for treason for writing a letter critical of Spanish colonial rule. He was expelled from Cuba after serving 8 months of a 6-year prison sentence. Martí studied in Spain and worked as an educator, political writer, and journalist in New York, Guatemala, Mexico, Venezuela, and elsewhere in the hemisphere. The cause of Cuban freedom was always his foremost concern.

In 1892, Martí led several exile groups in founding the *Partido Revolucionario Cubano*, a Cuban liberation movement. In 1895, the revolutionaries landed their ships in Cuba to wage a war of independence. Barely 1 month later, Martí was shot and killed in a skirmish with Spanish forces. His life and prolific writings made him a natural choice as Cuba's preeminent national hero. By 1953, the centennial of Martí's birth, more than 200 full-length biographies of his life had been written.

Fidel Castro has gone to great lengths to associate himself with the memory of Martí. He began his revolution by quoting extensively from Martí and even imitating his landing by sea in eastern Cuba. Today, Castro includes Martí in the pantheon of heroes—Marx, Lenin, Engels, and Che Guevara—that Cubans are taught to admire.

Castro's use of Martí has to be selective, however. As in the days of Martí, Cuba's political opposition is in exile or in jail, its economy is tied to a foreign empire, and it is governed by a dictator whose powers exceed those of a Spanish viceroy.

Martí opposed personal rule as much as he opposed colonialism, abandoning an 1884 plan to liberate Cuba because he feared some of its leaders were seeking personal gain. His political writings championed democracy as the path to national self-determination and a just social order. Martí advocated both political freedom from Spain and economic independence from the United States, and he believed that democracy—ensured by a free press, an active legislature, and general freedom of expression—would prove Cuba's best guarantee.

The sad truth is that Martí's vision of democracy and national sovereignty is as distant today for most Cubans as it was in 1895.



Pedro Joaquín Chamorro

Jailed five times and exiled twice by the Somozas, Pedro Joaquín Chamorro, editor of the independent daily *La Prensa* and a member of a leading Nicaraguan conservative family, never wavered in his belief in democracy and a free press. From early adulthood on, Chamorro never accepted the thesis that there could be no political opposition in Nicaragua. He played a leading role in two armed attempts to oust the Somozas and fought frequent censorship to use *La Prensa* as a platform to urge democratic reform.

His deep convictions and fearless determination made him a natural leader of the opposition. In 1966–67, Chamorro coordinated the National Union of the Opposition (UNO) against Somoza's presidential candidacy. In 1974, he led the Union of Democratic Liberation (UDEL), a coalition of opposition political groups that included people of the left and the right, in boycotting Somoza's staged elections.

When Somoza accused Chamorro of instigating Sandinista violence by criticizing him in *La Prensa*, Chamorro replied, "The regrettable deaths and injuries . . . are not the fruits of my harvest, but of the violence your regime has institutionalized for many years."

On January 10, 1978, Chamorro was shot to death while riding to work. Spontaneous riots erupted in Managua as news of his murder spread. The killers were never found, but Chamorro's death became the catalyst that united all elements of Nicaraguan society against Somoza. When Somoza fell 18 months later, in July 1979, Chamorro's widow, Violeta Barrios de Chamorro, became a member of the five-person junta at the head of the new government.

The tragedy of Pedro Joaquín Chamorro has not ended. In April 1980, Violeta de Chamorro resigned from the junta. "I realized that the course promised did not correspond to what was being done," she wrote later to the Secretary General of the Organization of American States. "The principles for which we all fought . . . have been betrayed by the party in power, that is, the Sandinist Front of National Liberation."

In June 1986, the Sandinistas closed *La Prensa* indefinitely. In an open letter to Daniel Ortega, Violeta de Chamorro wrote that the "Sandinista party has already created a great concentration camp in Nicaragua . . . by means of repression and the banning of all contradictory opinion."

Nine years after his death, the freedom for which Pedro Joaquín Chamorro fought continues to be denied to his countrymen.

In September 1985, Panama's civilian President Nicolàs Ardito Barletta resigned under pressure from the Defense Forces less than halfway into the term for which he had been elected. The presidency was assumed, according to constitutional procedures, by Vice President Eric Arturo Delvalle. This preservation of democratic forms and the continuing openness of Panamanian society kept the event from being an outright reversal of Panama's move toward democracy, but it was a serious setback nonetheless.

In January 1987, the elected civilian President of Ecuador, León Febres Cordero, was kidnaped and held several hours by a group of dissident air force officers. He was released only after freeing a jailed general who had challenged the government and after governments throughout the region had urged both the military and the civilian opposition to put the preservation of democratic institutions above domestic political rivalries.

Preserving democracy requires close civil-military cooperation and good government. As memories of past military abuses and failures fade, the risk of renewed military interventions will increase again in direct proportion to the difficulties democratic governments will have in coping with economic and social problems and in fighting insurgency, terrorism, and the illegal narcotics traffic. Mutual respect is critical. Civilians must recognize military contributions to the national defense and, in many cases, to public administration and development in remote areas. For their part, military leaders must honor the constitutional order and administer their own institutions in a manner that contributes to public confidence in the fairness and effectiveness of civilian democratic government.

Civil-military cooperation becomes absolutely critical when a society faces terrorism, illegal drug trafficking, or guerrilla warfare. An active and in some instances even expanding military role may be required to counter such threats. But defining the nature of the threat and choosing the appropriate response require close cooperation between civilian and military authorities. And then the actual defense of democracy must be carried out without unnecessary or indiscriminate force. Abusers of human rights cannot claim to be acting in the name of democracy.



Five former members of the Salvadoran National Guard at their trial for the murders of four American churchwomen near Zacatecoluca, El Salvador, in December 1980. On May 24, 1984, a jury convicted all five and gave them the maximum sentence of 30 years imprisonment. (© UPI/Bettmann Newsphotos)

Increased concern for human rights is apparent in several key countries where military and public security forces had previously been involved in gross violations of human rights. In El Salvador, military personnel now receive human rights training, and the National Police recently inaugurated a comprehensive, professional course in human rights that is mandatory for all personnel. In the past 2 years, human rights violations have been reduced to a fraction of their previous levels. Similar improvements in human rights performance have been registered in Argentina, Brazil, and Guatemala, where the military and civilian leadership is committed to respect human rights.

In Argentina, high-ranking military officers accused of committing severe human rights abuses during the military regime from 1976 to 1983 have been tried in civilian courts. Nine members of the ruling juntas were tried together for rights violations; five of the nine were convicted, with two receiving life sentences. In 1986, Ramón Camps, an army general in charge of the civilian police during military rule, was sentenced to 25 years in prison for human rights violations. In all, several hundred military personnel were expected to have been indicted before the statute of limitations for indictments for these crimes expired on February 22, 1987, a date established in an effort to ensure continued civil-military cooperation.

Looked at in historic perspective, the current shift to democratic rule appears to offer a genuine opportunity to break the cycle of alternation between civilian governments that lack the authority to govern and military governments that lack the legitimacy to last. Setbacks are inevitable, but the general prognosis is improving.

Economic Difficulties

The phenomenal economic gains of the 1960s and 1970s have been partially eroded in the 1980s by macroeconomic policies that fail to cope with falling commodity prices, global recession, and foreign debt that approaches $400 billion for the region. Only Brazil has been able to maintain consistently high growth rates since 1983. Although oil prices and interest rates have fallen since their

peaks in 1981, the prices of most of the hemisphere's commodities have remained depressed. The oil-producing countries in the region—Ecuador, Mexico, Peru, Trinidad and Tobago, and Venezuela—were hit especially hard by the collapse of petroleum prices in 1986. In many countries, the old statist, protectionist policies that inhibit investment, reduce business initiative, and stimulate capital flight are changing only slowly.

A rising tide of protectionism in the developed countries—essential export markets for Latin America and the Caribbean—also threatens growth. In recent years, the United States has substantially outperformed all other industrialized countries in expanding the purchase of Latin American and Caribbean goods. At the same time, however, U.S. exports to the region contracted sharply, creating a more favorable trade balance for Latin America but also adding fresh pressures to open the hemisphere's markets to U.S. products.

Most of the Latin American and Caribbean countries that have achieved modest growth during the 1980s still find that the economic gains do not offset higher population growth. The pressures of immediate human needs increase the difficulties of allocating scarce resources to important longer term institutional development.

The United States and the other members of the Organization for Economic Cooperation and Development (OECD) realize the importance of coordinating their economic policies to promote free trade and economic stabilization so as to facilitate continued democratic progress. The OECD countries also recognize that nations committed to democratic government and policies fostering economic growth should receive priority for foreign assistance. The International Monetary Fund (IMF), the World Bank, and the Inter-American Development Bank are all creating incentives for policy reforms that promote economic freedom, less state interference, and higher economic growth.

Greater participation by Western Hemisphere nations in the General Agreement on Tariffs and Trade (GATT) should help stave off protectionist demands by broadening the opportunities for redress of trade grievances. In 1986, Mexico joined the GATT, and Costa Rica applied for membership. Twenty Latin American and Caribbean countries are now members of GATT and are participating in the new multinational trade round agreed to at the Uruguay talks in September 1986.

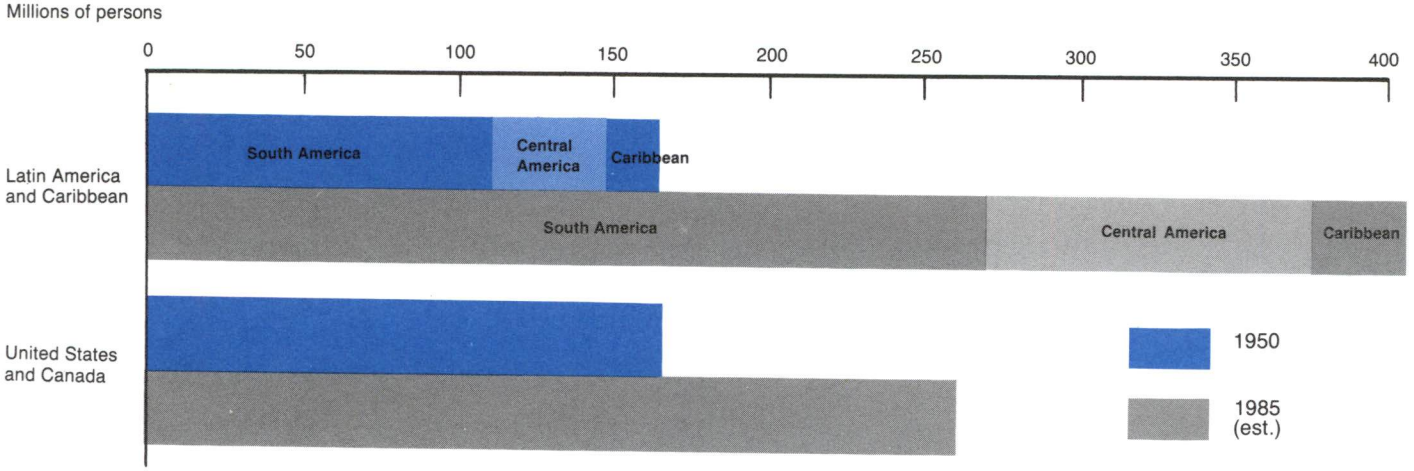
The consolidation of democratic governments throughout Latin America and the Caribbean offers the promise of a stable political environment for restored economic health. Many Latin American governments are encouraging private entrepreneurship and reducing restrictions on foreign investment in order to stimulate growth. As economies become more market-oriented and generate higher levels of savings, investment, and production and lower levels of inflation, living standards will improve provided population growth is restrained. Such positive developments would lead to greater confidence in the political system that inspired them. Democracy, however, also provides an environment in which unpopular measures can be challenged and even disrupted. Should growth not resume, and should the critics of current economic policies prevail in coming elections, governmental intervention in the economy and confrontation with creditors could increase.

Illegal Narcotics Trade

The growing illegal narcotics trade, spurred by the tremendous demand for drugs in the United States, has become a major regional problem. In some situations, narcotics traffickers have aligned themselves with guerrillas and terrorists, buying protection that undermines elected civilian government. Addiction among youth and government corruption are major problems. No nation in the Western Hemisphere is untouched by the production, use, or trafficking of illegal drugs.

The increase in narcotics-related activities—from crop production to processing to transshipment to bank laundering of profits—is caused in part by severe economic problems. Faced with limited opportunities at home and a

Western Hemisphere: Population, 1950 and 1985



Source: *United Nations Statistical Yearbook, 1983/4.*

large market for narcotics in the United States, many people have turned to the drug trade out of economic necessity. In Bolivia, for example, it is estimated that approximately 350,000 people, or 5% of the population, depend directly on coca production for their livelihood. The 61% growth rate in Bolivia's agricultural sector between 1980 and 1986 was due almost entirely to increases in coca production.

Institutional Weaknesses

The civilian institutions critical to democracy's proper functioning are often fragile, inefficient, or unevenly developed. Judicial systems generally suffer from inadequate financial, institutional, managerial, and human resources. For decades, the press and media have been strongly influenced by authoritarian regimes or traditional elites; journalists typically suffered from low pay and poor training. The resulting mixture of servility and resentment hampers objectivity and professionalism. The difficulties faced by political parties in developing national organizational structures and effective leadership are compounded by the disruptions and losses suffered in past repressions. Electoral laws and procedures have been subject to frequent changes, and there is a lack of trained electoral administrators. Finally, but far from least in importance, the pervasiveness of hierarchical structures with deep historic and cultural roots have created ingrained authoritarian habits even among individuals and parties with democratic intentions.

Many of these weaknesses can be overcome if the current democratic momentum continues and if those Latin Americans interested in overcoming them are able to obtain cooperation from groups with similar interests. Fortunately, linkages between political parties in Latin America and the Caribbean and international political movements are stronger than ever before. So are direct party-to-party ties. Many European political party foundations are active throughout the hemisphere. Parliamentary exchanges between legislators in the hemisphere and their counterparts in other countries are a growing source of solidarity, as are similar programs involving democratic trade unions.

Political Extremism and Totalitarianism

Latin America's authoritarian tradition and the lack of a democratic consensus have promoted factionalism, intransigence, and fear of instability. On both the far left and the far right, political movements have relied on force to attain objectives.

Dictatorships of the right—typically closely linked to the military—have historically been the nemesis of Latin American democrats. While in most cases not establishing totalitarian controls over all aspects of life, dictatorships like those of Gen. Fulgencio Batista in Cuba and Gen. Anastasio Somoza in Nicaragua have carried out some of the cruelest abuses of human rights in the postwar period. Moreover, by cloaking abuse in democratic forms such as plebiscites, artificial opposition parties, and rigged elections, such dictatorships debase democratic ideas and procedures and discredit genuine democrats.

> ***"There can be no peace, even if [the Sandinistas] throw all their artillery and their helicopter gunships into Lake Managua, if there is no democratic opening in Nicaragua."***
>
> **Honduran President José Azcona, May 21, 1986**

Authoritarianism of the far right has thus been a major factor contributing to a new and growing threat to democracy in Latin America: the threat of communist totalitarianism.

The totalitarian threat takes several forms. The most obvious is the actual consolidation of totalitarianism in power as occurred in Cuba and is happening in Nicaragua. Like traditional dictatorships, totalitarian governments are highly authoritarian. A key difference is that they also are systematically hostile to all activities independent of state control. By stifling individual enterprise and driving professionals and entrepreneurs into exile, these new "revolutionary vanguards" have aggravated their countries' social and economic underdevelopment as well as denied the political and cultural rights of their citizens.

A second threat is subversion. Acting both directly and through Cuba and, more recently, Nicaragua, the Soviet Union has provided support—ranging from propaganda to training and weaponry—to guerrilla forces and other terrorist groups in Latin America and the Caribbean. In El Salvador, such assistance helped turn what had, in the 1970s, been poorly armed and mutually antagonistic bands of kidnapers and bank robbers into what by the early 1980s had become a centrally commanded and well-armed guerrilla army with secure communications.

A third threat is that the totalitarian offensive will stimulate a new reaction from the far right. Guerrilla warfare and other forms of subversion have antidemocratic consequences even when their perpetrators do not succeed in seizing power. In Central America, the guerrillas have been stopped by improved government performance, the outstanding leadership of democrats like Presidents José Napoleón Duarte of El Salvador and Vinicio Cerezo of Guatemala, and U.S. support for democracy, but persistent subversion from Nicaragua could still endanger this progress by stimulating an ugly resurgence of right-wing extremism. In Chile, the authorities succeeded in discovering—before they could be used—large caches of arms secretly smuggled in by the Soviet bloc, but the evident threat of armed insurrection that the arms represented created new problems for moderates working for a democratic transition to replace the military regime of General Pinochet.

The United States

A NEW CONSENSUS?

For more than three decades, it was an axiom of American foreign policy that politics stopped at the water's edge. The axiom reached its height during World War II when the Democratic and Republican Parties united to defeat fascism and militarism. Following the war, both parties supported containment of the new threat: Soviet expansionism. Unfortunately, that bipartisan consensus, which had been the hallmark of the postwar period, began to break down over the war in Southeast Asia.

For awhile, it appeared that a new consensus might coalesce around consideration for human rights. But the concept of "human rights" suffered the fate of many fresh ideas and was viewed with a suspicion that produced heated controversy. There were contradictions between the policy's stated goals and its actual implementation. It proved to be an incomplete moral basis for policy because, strictly applied, it treated the problem of political repression without regard to the structure of government that permits or prevents abuses. In addition, the soundness of the human rights policy in national security terms was called into question as it became identified—rightly or wrongly—with two traumatic foreign policy events: the fall of the Shah of Iran and of the Somoza dynasty in Nicaragua. Both had been viewed as staunch U.S. allies in areas of geostrategic importance and both were replaced by governments inimical to U.S. interests, to democratic ideals, and to fundamental human rights.

The idea that U.S. foreign policy should embody America's values was fundamentally sound. The basis for a consensus did exist. It ultimately found expression in a value that the American people—that, indeed, all people—could rally around; a value more constructive than the concept of containment, on which the original postwar consensus had been built, and more comprehensive than that of human rights, on which the new consensus had initially foundered; a value, moreover, that clearly defined the conflict between a democratic United States and a totalitarian Soviet Union. Support for democracy, the very essence of American society, is becoming the new organizing principle for American foreign policy.

Support for democracy advances U.S. interests in several important ways.

Democracy helps to guarantee U.S. security. Democratic governments, because they must be responsive to their people, tend to be good neighbors. Open and regular political competition lessens political polarization and extreme swings of the pendulum (as happened in Chile, Cuba, and Nicaragua) and makes nations more resistant to subversion. Democratic governments are more reliable as signatories to agreements and treaties because their actions are subject to public scrutiny.

Democracy also advances important U.S. political and economic interests. Democratic countries are more likely to protect human rights and create environments in which people can work to achieve their full potential. Democratic processes are good for business and labor. Once established, political and economic freedoms provide a predictable and equitable basis for economic development.

Democracy helps the United States organize itself to cooperate and get things done internationally. As a people, Americans are more comfortable dealing with democratic governments than with authoritarian regimes. Our common interests are better understood. A foreign policy that supports democracy is capable of garnering broad, enduring public and congressional support. It is much easier for the United States, as a democratic society, to work with civilians like Presidents Alfonsín and Duarte than with the generals who preceded them.

Support for democracy not only embodies American values; it reconciles the conflict that often arises between U.S. strategic interests and the need to give moral substance to whatever policy serves those interests. As a commitment with bipartisan support, it provides the basis for a consistency and continuity in American foreign policy that have long been seen as lacking. Finally, support for

The Case of Bolivia

Bolivia in 1967 became the end of the line for Che Guevara and his band of Cuban guerrillas. But with 175 or more changes in government in 162 years of independence, Bolivia has long been Latin America's most unstable country. Already among the poorest countries in the world, with an annual per capita income of less than $600, Bolivia must now overcome the decline of the tin mining industry that has been its most important source of nonagricultural employment. Finally, Bolivia has recently become a major production and staging center for global trafficking in cocaine.

Despite these extraordinary obstacles, Bolivia has in recent years made significant progress toward democracy. Calls for political liberalization led to Gen. Hugo Bánzer's resignation in 1978 and ushered in a series of short-lived military and civilian regimes. In presidential elections in 1980, former President Hernán Siles (1956–60) won a popular plurality, but General Luís García-Meza, using Siles' failure to win a majority of the popular vote as a pretext, seized power in August 1980 with the support of Bolivian narcotics traffickers.

Secretary of State Edmund Muskie denounced the García-Meza coup, and the Carter Administration downgraded diplomatic relations, suspended nonhumanitarian aid and military assistance, and closed the U.S. military mission in Bolivia. Despite pressure to normalize ties with Bolivia, the Reagan Administration continued to deny U.S. support to García-Meza. On October 10, 1982, new military leaders allowed Siles to assume the presidency. The Siles government received considerable economic assistance and moral support from the United States. Because his government was weakened by a lack of cooperation among coalition members, a faltering economy, and increasingly violent labor disruptions, Siles cut his term short by 1 year and called a presidential election in 1985.

Thirty parties and eighteen presidential candidates participated in the 1985 election. The final electoral count gave 28.5% of the vote to retired army general and former dictator (1971–78) Hugo Bánzer. Ex-president (1952–56, 1960–64) Victor Paz Estenssoro, patriarch of the 1952 revolution, had the second highest tally, 26.4%. Because neither candidate won a majority, selection of the president fell to the legislature, which voted 94 to 51 for Paz despite his having placed second to Bánzer in the popular vote. Bánzer accepted the legality of the outcome, and he and his party have actively cooperated with the Paz government on vital policy issues such as economic reform and narcotics control.

democracy enables U.S. foreign policy to match (and exceed) what has been identified as perhaps the strongest element of Soviet foreign policy: an enduring sense of direction.

These new perceptions have particular significance for U.S. policy in Latin America and the Caribbean, where many believe that the United States has sacrificed democratic principles and even encouraged repressive military regimes in the pursuit of containment and stability at any price. This critical view ignores the role that U.S. assistance programs and support for free trade, to take just two examples, have played in the fundamental socioeconomic transformations that have contributed to the democratic transition. Nevertheless, cynicism about U.S. purposes has broad acceptance and contributes to the ambivalence that many people in Latin America and the Caribbean express about relations with the United States. Now that U.S. policy embodies democratic values in an explicit, concrete, and continuing manner, the impact on public opinion will, over time, prove quite substantial.

SUPPORT FOR DEMOCRACY: PROVEN TOOLS

The United States cannot support democratization in Latin America unless it supports the efforts of Latin Americans. Democracy depends on complex interactions that come in many forms; it is not an export commodity. This section considers U.S. efforts to make more effective use of the proven tools of statecraft to support the movement toward democracy in the hemisphere; the following section describes efforts to create new tools to bolster democratic institutions and development.

Diplomacy

Two principal goals of U.S. diplomacy in Latin America and the Caribbean are to strengthen democratic government and to promote peaceful resolution of the conflicts and tensions that threaten its consolidation. Diplomatic activity to advance these goals takes a variety of forms in many different arenas.

The President and the Secretary of State, along with other key foreign policy leaders, enunciate U.S. goals in major foreign policy speeches, in bilateral meetings with their counterparts in the region, and in consultations with our allies. Their visits to the region, and invitations extended to the democratic leaders of Latin America and the Caribbean to come to the United States, are consciously used to demonstrate U.S. support for democratic rule and repudiation of both civilian and military authoritarian regimes.

The President himself announced the Caribbean Basin Initiative (CBI) in February 1982 in a speech before the Organization of American States. His message linked the future of democracy in that part of the hemisphere to economic development and pledged major U.S. support for those dual goals. On this and other occasions, President Reagan has stressed that the United States will not remain indifferent "when democratic values are at risk."

Support for democracy also has been the recurrent and consistent theme in speeches by the Secretary of State and the Assistant Secretary for Inter-American Affairs. At the OAS General Assembly, in testimony before committees of Congress, and in statements in numerous public fora during the past 5 years, U.S. leaders have reaffirmed Jefferson's maxim that "the will of the people is the only legitimate foundation of any government."

Support for democratic institutions was a main theme of President Reagan's visit to Central and South America in December 1982. Accompanied by Secretary of State George Shultz, the President visited two traditional democratic allies (Costa Rica and Colombia) and Brazil, where congressional elections had just marked a major step in the democratic transition. In February 1986, the President met with the prime ministers of several independent English-speaking Caribbean nations in Grenada in a demonstration of democratic solidarity.

Visits by the Vice President, the Secretary of State, and other senior officials are employed to reinforce our commitment to democratic civilian rule. The inaugurations of democratically elected leaders (among them the Presidents of Argentina, Brazil, Colombia, the Dominican Republic, El Salvador, Guatemala, Honduras, Uruguay, and Venezuela) have become key occasions for mutual support and consultations among democratic forces. The inauguration of President Raúl Alfonsín in December 1983 (at which Vice President George Bush represented the United States) became a powerful and emotional celebration in which representatives of Spain, Portugal, Peru, and Ecuador—all countries that had moved into the democratic ranks during the previous decade—demonstrated their solidarity with the newest member of the international democratic community.

The state visit to Washington of President Alfonsín in 1985 was the first by an Argentine head of state since 1958. The official visit by President Vinicio Cerezo in May 1987 will be the first ever by a Guatemalan president. During 1986 alone, the civilian Presidents of Brazil, Uruguay, Costa Rica, Honduras, and Mexico made state or official working visits to the United States. President Reagan also met at the White House with Gen. Henri Namphy, head of Haiti's National Governing Council, as a signal of support for the democratic transition there and for the

> ***"The objective I propose is quite simple to state: to foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means."***
>
> **President Ronald Reagan,**
> **Address before the British Parliament,**
> **London, England, June 8, 1982**

electoral timetable drawn up by his provisional government. In addition, the President has met with several of his Latin American and Caribbean counterparts while they were in the United States on private visits.

Progress toward democracy is a major topic of discussion with our European allies. In consultations such as the semiannual NATO experts' meetings on Latin America and the Caribbean, U.S. officials regularly exchange views with allied officials on the status of democratic government and the measures being taken to support its continuance. Consultations within the framework of the OECD provide an opportunity to win support for policies that promote growth and development for our neighbors in the Western Hemisphere, thereby strengthening the economic underpinnings of democracy. In fora such as these, as well as in bilateral consultations with our allies, the United States has urged sending international observers to encourage electoral freedom and to recognize it publicly when it takes place.

Through the efforts of the President's Special Envoy for Central America, who is charged with promoting negotiations to resolve the conflict there, the United States supports regional negotiations, giving special emphasis to the need for comprehensive, simultaneous, and verifiable implementation of the security and democratic goals set forth in the 1983 Contadora Document of Objectives. Three distinguished Americans have served as Special Envoy: Richard Stone, former U.S. Senator (D–Florida); Harry W. Shlaudeman, former Assistant Secretary of State and now U.S. Ambassador to Brazil; and Philip C. Habib, former Under Secretary of State and Special Middle East Envoy, the current Special Envoy.

Military Assistance

Military assistance for Latin America and the Caribbean consists of funds provided under the Military Assistance Program (MAP) and the International Military Education and Training (IMET) program. In fiscal year (FY) 1986, military assistance for the region totaled approximately $234 million, or about 4% of all U.S. military assistance worldwide. (The 1986 figures included a small amount of credit assistance under the Foreign Military Sales (FMS) program. FMS credits to the region have been discontinued in favor of MAP grants.)

Approximately 82% of U.S. military assistance for the region in FY 1986 went to El Salvador, Honduras, Guatemala, and Colombia—four regional democracies battling insurgencies. Nowhere is this assistance more important than in Central America, where the Sandinista regime in Nicaragua supports guerrilla movements in El Salvador, Guatemala, and Honduras and provides military training to a nascent insurgent movement in Costa Rica. Another 9% went to support the development of basic surveillance, search and rescue, and self-defense capabilities in the Caribbean democracies. Our military assistance also supports hemisphere-wide efforts to halt the production and trafficking of narcotics.

Under the initial FY 1987 allocations, military assistance to the region has been cut by about 7%, thus limiting our ability to support our neighbors in combating both guerrilla insurgencies and illegal narcotics trafficking.

In October 1986, Congress approved $100 million to support the Nicaraguan democratic resistance in its struggle to recover the promise of democracy stolen from the Nicaraguan people by the Sandinistas.

The Power of Public Opinion

Of the 33 independent nations of Latin America and the Caribbean, only three—Cuba, Nicaragua, and Paraguay—prohibit independent public opinion polls. In the rest of the region, political parties, individual scholars, and dozens of polling firms are continually using internationally recognized survey methods to measure citizen concerns.

Political polling, from in-depth questions about citizen concerns to polls on candidate popularity and opinions on foreign affairs, is the speciality of several dozen respected public opinion firms, including Gallup affiliates, from Mexico to Argentina. *UNIVISION*–Spanish International Network, the largest Spanish-language television system in the United States, has conducted extensive voter exit polls in several countries, including El Salvador, developing a record of predicting election returns with enviable accuracy.

Economic Assistance

U.S. bilateral economic assistance totaled slightly more than $1.5 billion in FY 1986. It is administered by the Agency for International Development (AID) and consists of developmental assistance, Economic Support Fund (ESF) assistance, and PL 480 food aid to Latin America and the Caribbean.

Developmental assistance accounted for almost 30% of total U.S. bilateral economic assistance to the region. Those funds are used primarily to improve educational and health systems, to support improvements in infrastructure, to build democratic institutions, and to bolster the private sector as the principal engine of growth.

The Economic Support Fund, which is used almost entirely for budget support, comprised about 42% of U.S. bilateral economic assistance to Latin America and the Caribbean in FY 1986. Almost 30% of U.S. bilateral economic assistance for the region in FY 1986 consisted of ESF for the countries of Central America.

In FY 1987, reduced global foreign assistance appropriations required that U.S. bilateral assistance to Latin America and the Caribbean be cut by nearly 20% to approximately $1.2 billion. These cuts come at a critical time when many of the countries are instituting difficult economic reforms, attempting to consolidate democratic civilian government, and battling leftist insurgents.

The United States provides additional economic assistance to the nations of Latin America and the Caribbean through contributions to multilateral institutions such as the the World Bank, the Inter-American Development Bank, the Central American Bank for Economic Integration, and the Caribbean Development Bank. In 1985, U.S. contributions to multilateral development banks for Latin American programs were approximately $2 billion. Programs administered by these institutions provide additional sources of funding, generally on concessionary terms, for development projects in the region. U.S. contributions to these institutions also face cuts in FY 1987.

Economic Stabilization

The United States has a fundamental interest in the prosperity of the countries of the Western Hemisphere. Our strategy for dealing with economic problems, including the debt crisis, has been coordinated with other industrial countries. Applied on a case-by-case basis, the strategy emphasizes the need for economic adjustment in the debtor countries with the support of the international financial institutions, especially the International Monetary Fund and the World Bank.

At the 1985 annual meeting of the IMF and World Bank in Seoul, Korea, U.S. Treasury Secretary James Baker proposed an initiative that builds on and strengthens the previous strategy. The plan he put forth contains three essential and mutually reinforcing elements:

- **First,** adoption of economic policy reforms to promote growth in the debtor countries;
- **Second,** a continuing central role for the IMF coupled with an increase in structural adjustment loans by the World Bank to support these reforms; and
- **Third,** when the first and second elements are in place, new lending by the commercial banks to provide additional support for the reforms and for long-term growth.

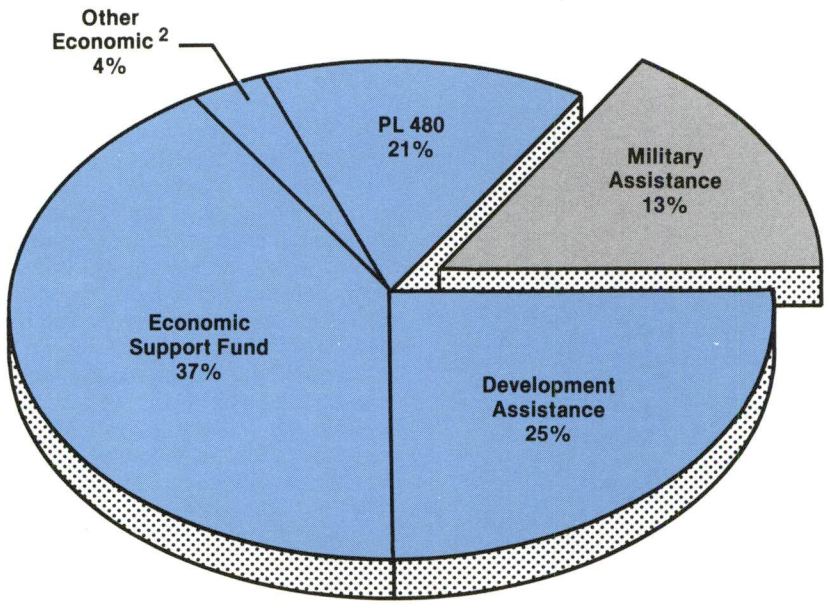
The heart of the new strategy is increased emphasis on growth to reduce debt and raise living standards. This approach has received strong support internationally and was recently affirmed by the IMF Interim Committee and the IMF/World Bank Development Committee at their meetings in September 1986.

The renewed emphasis on growth requires reduced reliance on statism, market intervention, and import substitution. The response thus far has been encouraging. Most Latin American and Caribbean countries have established more realistic exchange rates, expanded exports, and cut inflation. Several countries have begun to reduce entrenched structural barriers to growth; specifically, to take steps to reduce price controls and subsidies, to liberalize trade, to attack overregulation and excessive bureaucratic controls, and to improve the investment climate, including reducing restrictions on private foreign investment. Until these reforms produce practical results for a majority of citizens, however, the democratic leaders of Latin America and the Caribbean would benefit greatly from a demonstration that the developed countries (and especially the United States) are prepared to ease the burdens imposed by existing debts.

U.S. efforts to reduce domestic inflation have lowered international interest rates, thus reducing the debt-servicing burden on all the Latin American debtors. Similarly, our battle against protectionism and our own continuing economic growth in the last 4 years have helped countries in the region by enabling them to increase their exports. U.S. imports from Latin America and the Caribbean—mostly manufactured products—rose by nearly 7% per year during the 1980s, a rate well in excess of annual growth in gross domestic product. At the same time, the region reduced imports from the United States. Thus, a $3-billion U.S. trade surplus with Latin America and the Caribbean in 1981 had become a $17-billion deficit by 1985.

The Caribbean Basin Initiative is an attempt by the United States to engage the nations of the Caribbean and Central America in the development of new opportunities for trade, investment, employment, and broad-based growth in the region. The program was designed with a 12-year lifespan representing a long-term U.S. political commitment with incentives beyond immediate trade objectives. Countries with the policy framework to promote private investment and innovation will be most able to seize trade opportunities. The CBI has not yet generated the substantial economic growth that was originally envisioned. Thus the United States has added several other benefits and continues to seek additional measures for promoting economic growth.

U.S. Bilateral Assistance to Latin America and the Caribbean, FY 1986[1]



[1] Bilateral assistance amounted to $1.8 billion. This does not include U.S. contributions to the World Bank, the International Monetary Fund, the Interamerican Development Bank, and the Caribbean Development Bank expended in Latin America and the Caribbean.

[2] "Other Economic" includes funds for programs of USIA, Peace Corps, and the State Department (e.g., refugees, narcotics).

Peace Corps

The Peace Corps has been one of the most successful U.S. foreign policy initiatives of the postwar period. Almost 1,700 Peace Corps volunteers are currently serving in 18 countries in Latin America and the Caribbean. Throughout the region, Peace Corps volunteers continue traditional programs such as teacher training, nutrition, and health care. In recent years, however, programs have focused increasingly on support for the private sector with training and technical assistance in management and marketing to small businesses and entrepreneurs. New projects include activities that range from the development of income-generating student cooperatives modeled on the "Junior Achievement" program to technical assistance in crop diversification to small farmers.

Educational Exchange

In the past 5 years, the United States Information Agency (USIA) has expanded various international visitor programs. Exchange visitor grants fund travel to the United States for outstanding regional leaders in fields as diverse as journalism, arts and sciences, politics, government administration, and education. Through the Fulbright Program, American scholars have the opportunity to teach, study, and conduct research abroad while their foreign counterparts are given similar opportunities in this country. In addition, USIA administers the new pilot Central American Program for Undergraduate Scholarships (CAMPUS). The new Central American Peace Scholarship (CAPS) program, using AID resources, will eventually bring a total of 7,000 students from lower and middle class backgrounds to the United States. Other USIA programs support student exchanges at the secondary school level, help set up special programs for voluntary visitors to the United States, and arrange for U.S. travelers to the region to meet with counterparts in their respective fields.

Bipartisan Commission Stimulates Support for Democracy in Central America

In July 1983, President Reagan appointed a National Bipartisan Commission on Central America to advise on a long-term U.S. policy that would best respond to the challenges of social, economic, and democratic development in the region and to internal and external threats to its security and stability. The Commission, headed by former Secretary of State Henry A. Kissinger, reported to the President on January 10, 1984, that the fundamental strategic and moral interests of the United States require a long-term national commitment to economic opportunity, human development, democracy, and security in Central America.

The President and Congress approved the recommendations of the Commission virtually unchanged, setting in motion a comprehensive strategy of economic and military assistance to address the root causes of poverty and social unrest, to foster equitable development, and to support democratization to help the region move beyond its history of dictatorships and instability. The strategy is to:

- Support democratic processes and institutions by backing free and competitive elections, the administration of justice, technical training, and the development of leadership skills;
- Stop declines in income, employment, and economic activity by providing major balance-of-payments support;
- Build the foundation for long-term economic growth by supporting improvements in economic policy and the infrastructure needed for efficient production and diversified exports;
- Assure the widest possible distribution of the opportunities and benefits of growth by helping to create jobs and improve health, education, and housing for the poor; and
- Help secure peaceful evolution in support of these objectives by providing military assistance to create a shield to protect democratization and growth from Soviet-backed subversion.

Complementing these development and security policies, U.S. diplomacy supports negotiations both within and among the countries of Central America to bring about the reconciliation needed to achieve socioeconomic progress, national security, and lasting peace.

This bipartisan approach, whose foundations are the promotion and defense of democracy, has proved critical to the progress achieved since 1984 in every country of Central America except Nicaragua. And the Commission noted that "the development of an open political system in Nicaragua, with a free press and an active opposition" would be a key to progress there as well.

Support for Private Sector Organizations

The U.S. Government lends its help to appropriate private initiatives that support democratic development. Long-term AID support for the programs of the "Partners of the Americas" helps develop linkages between U.S. civic and community organizations, youth groups, service organizations such as the Lions and Rotary Clubs, and business groups and their counterparts in the hemisphere. These people-to-people programs promote mutual understanding and cooperation and contribute to institutional development.

In 1986, AID funded and the Department of State assisted with the organization of a regional conference for Latin America and the Caribbean sponsored by the International Committee for a Community of Democracies (ICCD). The ICCD promotes worldwide democratic solidarity as a means of sustaining, promoting, and defending democratic practices in more than 50 democratic countries around the globe.

Liaison With Trade Unions

U.S. diplomatic missions in Latin America and the Caribbean traditionally have maintained active liaison with trade unions and labor leaders because of their central role in national politics throughout the region. U.S. Government funds also support various activities of the AFL–CIO, including a major training program for union organizers at the George Meany Center in suburban Washington, D.C.



Types of Government, LATIN AMERICA and The CARIBBEAN: 1976 and 1986

Largely or entirely democratic and open societies

Dictatorships or military regimes

Not catagorized

Note: Haiti was a dictatorship until February 7, 1986.

Names and boundaries are not necessarily authoritative.


1986
Mexico
The Bahamas
Cuba
Haiti
Dominican Republic
Jamaica
Belize
Honduras
Guatemala
El Salvador
Nicaragua
Costa Rica
Panama
St. Christopher and Nevis
Antigua and Barbuda
Dominica
Saint Lucia
St. Vincent and the Grenadines
Barbados
Grenada
Trinidad and Tobago
Venezuela
Guyana
Suriname
Colombia
Ecuador
Peru
Brazil
Bolivia
Paraguay
Uruguay
Chile
Argentina
Names and boundaries are not necessarily authoritative.

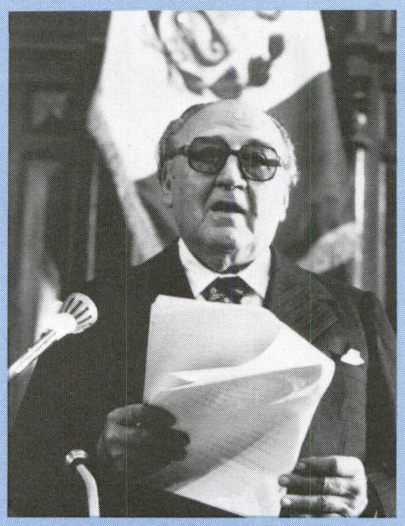
SUPPORT FOR DEMOCRACY: RECENT INITIATIVES

The National Endowment for Democracy

The National Endowment for Democracy was established by Congress in 1983 in the belief that private institutions in free societies can contribute to the development of democracy through assistance to counterparts abroad. Four constituent institutes—the AFL-CIO's Free Trade Union Institute, the Center for International Private Enterprise of the U.S. Chamber of Commerce, and the National Democratic Institute for International Affairs and National Republican Institute for International Affairs representing the two major American political parties—administer a broad range of projects in the region that emphasize leadership training, civic education, expanding and strengthening the linkages among U.S. and regional political parties, development of electoral machinery, support for democratic workers' federations, and promotion of private enterprise. Although most of the Endowment's funds are provided by congressional appropriation, it is an independent, nonpartisan organization. In fact, the National Endowment for Democracy is probably the most concrete example of the growing bipartisan consensus in foreign policy based on support for democracy as its guiding principle.

Administration of Justice

The development of independent, accessible, and fair justice systems is a crucial part of the consolidation of democracy in Latin America and the Caribbean. The U.S. Government recognizes this important fact and, in the past several years, has developed an innovative program to assist democratic Latin American and Caribbean governments in their efforts to carry out fundamental judicial reforms. Collaborative efforts involve the Departments of State and Justice, USIA, and AID. The U.S. program first focused on Central America and is now expanding to the Caribbean and South America. Under the program, the United States has given support for a variety of practical judicial reform measures including training for judges, prosecutors, and other legal personnel; improving court administration; reproducing and disseminating basic legal materials; training for criminal investigators; modernization of law codes; strengthening of case reporting systems; and support for local bar associations. In addition, U.S. officials are facilitating the establishment of cooperative links between relevant private U.S. organizations—such as law schools, bar associations, and law institutes—and their counterparts in Latin America and the Caribbean. Grants to support these activities have been made to the UN-affiliated Latin American Institute for the Prevention of Crime and Treatment of Offenders (ILANUD), the University of the West Indies, the Inter-American Bar Association and Foundation, and private and governmental agencies in individual countries.



Víctor Raúl Haya de la Torre (1895–1979) addresses Peru's Constituent Assembly, of which he was president, on July 23, 1978. Haya founded one of the hemisphere's first mass movements, the American Popular Revolutionary Alliance (APRA), while in exile in Mexico in 1924. (© UPI/Bettmann Newsphotos)

Electoral Institutions

The consolidation of democratic government in Latin America and the Caribbean depends in large measure on increased public confidence in the electoral process and the institutional capacity to administer it. U.S. assistance seeks to build this capacity in national institutions through technical assistance, training, and material resources to help establish sound laws and procedures, administer elections, carry out measures to prevent fraud, and educate citizens about the voting process. In El Salvador in 1982, 1984, and 1985, and in Guatemala and Honduras in 1985, U.S. assistance for the electoral process—including provision of special ballot paper and ink and aid to computerize voter registration rolls—supported the democratic transition. AID funds have also been used to finance training of poll monitors in Guatemala and to support teams of international electoral observers for elections in Honduras and El Salvador.

In addition to assistance to individual countries, AID provides support to technical assistance, training, and research programs of the Inter-American Center for Electoral Assistance and Promotion (CAPEL), a division of the Inter-American Institute of Human Rights, located in San José, Costa Rica. The creation of CAPEL was a Latin American initiative, stemming from a meeting of foreign ministers in October 1982. Its services and resources are available to public and private institutions and individuals throughout the region.

Since 1984, increased funding has allowed CAPEL to expand its programs rapidly. The center has developed a roster of electoral experts from the Americas and Europe who can provide technical advice and participate in training courses, research projects, and observer missions. CAPEL has responded to requests for technical advice from Bolivia and Honduras on improving and computerizing voter registries; from Guatemala on drafting a new electoral law; and from Ecuador on improving the vote counting system. The center has conducted training courses on electoral legislation in Guatemala, Costa

Rica, and Honduras, cosponsored by each country's electoral court, the bar association, and local universities. A private organization in Haiti invited CAPEL to collaborate in a seminar on the electoral process and in a proposed nationwide voter education project to promote full participation in the elections scheduled for 1987.

CAPEL's growing data center collects and disseminates materials on electoral legislation, rights, and processes, and maintains permanent records of election results for all the countries in the region. The Department of State is aiding development of an electoral data base through a project with the Institute of Interamerican Studies at the University of Miami that is being coordinated with CAPEL. The data base will be available to students, journalists, and scholars from throughout the hemisphere as well as government analysts.

By collaborating with national organizations, CAPEL is building a valuable network of individuals and institutions committed to promoting well-administered, free, and competitive elections. In 1985, CAPEL helped stimulate creation of the Association of Electoral Organisms of Central America and the Caribbean, an organization designed to foster international cooperation to promote representative democracy. As its interim secretariat, CAPEL helped organize and fund the association's first annual meeting in San Salvador in December 1986 to which both Haiti and the Philippines sent official observers.

Strengthening Legislative Capacity

AID funds are used to support activities designed to promote and facilitate continuing interchange among parliamentarians in Latin America and the Caribbean, North America, and Western Europe, as well as to build the institutional capacity of regional legislative bodies.

In 1982, AID funded a training seminar for newly elected legislators initiated by the Congress of the Dominican Republic and a local university. Interest generated by the seminar led to the design of a long-range program of support services to enhance the policymaking and administrative skills of legislators. Drawing on this model and with technical assistance from participants in the Dominican program, the legislatures of El Salvador, Guatemala, and Honduras are undertaking similar programs funded by AID to strengthen information management and analysis and administrative support.

Antinarcotics Assistance

The United States is cooperating with governments throughout the hemisphere to end production of and trafficking in narcotics. In Mexico, Jamaica, and Colombia, we are working together to eradicate drug crops. Our most dramatic efforts to date have been in Bolivia, where U.S. military forces provided transportation for local law enforcement teams to destroy drug processing laboratories.

In the Caribbean and The Bahamas, we have supported extensive programs to interdict drug shipments. Other programs throughout the region support training for law enforcement officers and public education. The war on drugs at all levels also is being expanded with new resources provided by the omnibus drug bill passed in 1986. Of course, a central part of any strategy must deal with the massive consumption of drugs in the United States.

Civil-Military Relations

In 1987, U.S. authorities in California arrested retired Argentine General Suarez Mason whose extradition Argentina had requested after his indictment for human rights abuses. Through tangible actions, private consultations, and public statements, the U.S. Government is attempting to make clear that it expects cooperation between U.S. and Latin American military services to take place within a framework of civilian control and support for democracy. This was the theme of a major address entitled "A Democratic Vision of Security" by Assistant Secretary of State for Inter-American Affairs Elliott Abrams at the 25th commencement ceremony of the Inter-American Defense College on June 13, 1986 (see Current Policy No. 844).



Poll workers in San Salvador open a ballot box and begin to count the votes in the presidential runoff election of May 6, 1984. Ballot counting had to be done by candlelight after guerrillas disrupted the city's power supply. (© UPI/Bettmann Newsphotos)



Tiradentes: A Vision Vindicated

In late 1788, in the Province of Minas Gerais in the Brazilian interior, a group of men launched the first major conspiracy against Portuguese colonial rule. Their motives were mixed: freedom from debt and taxes owed to the Crown, a more open commercial system, and abolition of a social structure that denied them upward mobility. Some were inspired by the dream of a free republic, patterned after the newly independent American colonies. As students in France, several had discussed their plans with Thomas Jefferson.

The central figure in the *Inconfidência Mineira* (or Minas Conspiracy) was Joaquin José da Silva Xavier, a low-ranking officer known by his nickname "Tiradentes" (toothpuller), who embodied the complex motivations behind the conspiracy. After several business failures and the loss of his property, he entered the military but was passed over for promotion in favor of officers with better connections. Because of his dental skills, Tiradentes eventually met some merchants in Rio de Janeiro and, with them, developed his plans for an independent republic.

The scheme called for Tiradentes to provoke a riot, then lead an assault on the Governor's residence at the head of a group converted to the republican cause. After declaring an independent republic in Minas Gerais, the conspirators hoped to carry their war of independence to the other provinces. The constitution they planned called for economic reforms; freedom for native-born slaves; and establishment of a university, schools, and hospitals. Citizens would have the right to bear arms and would be required when necessary to serve in a national militia, but there would be no standing army. Each town would have a council subordinate to a parliament in the capital. After 3 years of provisional rule to consolidate the republic, elections were to be held annually.

Before they could carry out the plan, one of the conspirators divulged the plot. Tiradentes confessed but, to spare the others, claimed that he had conceived the plot alone. Among the charges leveled against him was attempting to translate the U.S. Constitution into Portuguese. The conspirators were tried, convicted, and sentenced to death; all save Tiradentes had their sentences commuted. On April 21, 1792, he was led to the gallows on the outskirts of Rio and hanged.

After Brazil became an independent republic almost 100 years later, Tiradentes was hailed as a hero. His vision had helped thrust Brazil into the nationalist, anticolonialist, republican mainstream of the Enlightenment and set Brazil on the road to the democracy it enjoys today.

With funding from AID and other donors and the assistance of the Bureau of Inter-American Affairs of the Department of State, the School of International Service of the American University in Washington, D.C., is undertaking a study of civilian-military relations designed to promote dialogue among scholars and military and civilian leaders from the United States and Latin America. Civil-military relations is now a standard topic in the Washington briefings given to participants in USIA's International Visitor Program.

The Need for Mutual Support

The promise created by the convergence between Latin American democratization and increased U.S. support for democracy can only be fulfilled if headway is made in overcoming two separate problems, one for each potential partner in the quest for inter-American cooperation. They are Latin American instability and U.S. inconsistency.

For Latin America, the preliminary indications suggest that, this time, the cycle of instability is being broken in enough countries to make a difference. The strengthening of constitutional government has increased protection of human rights and provided channels for the redress of grievances. Freedom of the press has been restored in as large a country as Brazil, in some ways the freest of societies, and as small a country as Haiti, where for decades government censorship limited all forms of political expression.

Many of the same forces that sparked the decline of authoritarianism seem likely to favor continued democracy. Urbanization, industrialization, and the growth of the middle classes are continually expanding the potential democratic power base. Higher rates of education and literacy are increasing the number of people capable of seeking an active role in government and of communicating and obtaining mutual support from like-minded groups to protect democracy once achieved.

In 1985, two amendments to the Charter of the Organization of American States were proposed to recognize that "representative democracy is an indispensable condition for the stability, peace, and development of the region" and that the promotion and consolidation of democracy are among its essential purposes. These provisions foster and reflect the potential for hemispheric solidarity and cooperation among countries united by democratic principles and practices. The inaugurations of newly elected civilian governments have become regular occasions for the democratic nations of the hemisphere to show their commitment to these principles.

The international implications of Latin America's democratic revolution are enormous. The democratic Government of Argentina has stressed its desire for a negotiated settlement with the United Kingdom over control of the Falklands/Malviñas Islands. This approach sharply contrasts with that of the predecessor military regime, which tried to resolve the issue through military action. In July 1986, Argentina and Brazil signed a dozen accords designed to promote trade, cooperation

in key industries, and otherwise strengthen mutual support and cooperation.

Finally, the absence of democracy has been recognized as a major source of conflict within countries as well as among them. In Central America, democratization has been the key to progress in El Salvador, while in Nicaragua the absence of democracy hampers national reconciliation. Democratization in both El Salvador and Honduras contributed to reducing historic border tensions and to their ability to implement the dispute resolution mechanisms contained in the 1980 peace treaty ending the 1969 war between them.

In the United States during the past decade, the U.S. Government—with both the Congress and the executive branch participating and, at times, even seeming to compete—has taken an increasingly active role in support of democratic processes and institutions throughout the hemisphere.

Considerable uncertainty nonetheless remains about the consistency of vigorous U.S. support for the democratic revolution in the region. Lack of sufficient funding for U.S. foreign assistance could, over time, cripple U.S. foreign policy. New protectionist trade barriers would aggravate the debt crisis. Halting support for democratic forces in Nicaragua would further endanger the security of the Central American democracies.

Increased U.S. continuity in foreign policy and political and financial commitment to democracy would mitigate many of these threats. Continued support for democracy requires a consistency—the combination of political will and sufficient resources—that has often been absent from U.S. foreign policy in recent years. The emergence of bipartisan coalitions in the Congress on matters from the Caribbean Basin Initiative to support for the Nicaraguan democratic resistance suggests this may be possible.

In short, though the dangers are great and growing, those who envision an enduring cooperative relationship among democratic societies throughout the Americas have more reason to be optimistic today than at any time since the early days of the Alliance for Progress. In Latin America, democratic achievements are all the more impressive because they have come piecemeal, one country at a time, usually without grand illusions about the outside world. In the United States, the realization that our neighbors in Latin America and the Caribbean are increasingly committed to democracy and that their success is important to our own security is strengthening support for a new bipartisan consensus.

If the United States and the countries of Latin America and the Caribbean continue to provide each other support and encouragement, as they have in the past decade, it will be possible to say that democracy will have fulfilled its promise as both a cause and a result of good relations between Latin America and the United States. ■

Nicaragua: Appearance v. Reality

Elections were held throughout the Somoza era. Real power, however, was never put to a vote. The major change under the Sandinistas is that elections are not even regular.

General Somoza offered the Conservative opposition 40% of the seats in a constituent assembly in 1971. The "pact" between the Conservatives and Somoza's Liberal Party was rejected by other opposition parties, including the Independent Liberal Party and the Social Christian Party. But Somoza's manipulations made possible legal and constitutional changes that allowed him to run for president in l974 in an election in which 9 out of 10 opposition groups had been excluded.

On August 17, 1974, Nicaragua's Roman Catholic bishops responded to the exclusion of the opposition by issuing a pastoral letter that declared that "a dominant majority party does not have the right to exclude and deny recognition to the minorities." The bishops denounced "legal weapons," asserting: "When the law becomes an instrument of force used to deprive citizens of their rights, to sterilize and destroy civic action, to imprison for the sole offense of not accepting the only system or the existing regime, it is legal war: it is the absurd destruction of man by the law."

Ten years later, in 1984, the Sandinistas put Nicaragua through the motions of another election. As in 1974, the Sandinistas never intended that the elections would determine who would exercise power. As in 1974, the Sandinistas permitted a faction of the Conservatives to win the largest share of opposition votes. And as in 1974, other parties opposed the ruling party's manipulation. Major opposition forces united in the *Coordinadora Democratica* to run Arturo Cruz for president but boycotted the election when it became clear that their candidates were denied the right to campaign freely. The Independent Liberal Party tried to withdraw later in the campaign, but was prohibited from doing so on a technicality.

On April 22, 1984, Nicaragua's Roman Catholic bishops responded to the growing polarization of Nicaraguan society by issuing a pastoral letter which declared that "it is dishonest to constantly blame internal aggression and violence on foreign aggression" and called for national reconciliation through dialogue. "All Nicaraguans inside and outside the country," asserted the bishops, "must participate in this dialogue, regardless of ideology, class, or partisan belief. Furthermore, we think that Nicaraguans who have taken up arms against the government must also participate in this dialogue."

On February 7, 1987, seven opposition parties—the Independent Liberal Party, the Social Christian Party, the Constitutional Liberal Party, the Popular Social Christian Party, the Conservative Party, the Social Democratic Party, and the Communist Party called for the creation of a National Peace Commission to work for a ceasefire; full political, social, and economic rights in accordance with the new constitution; general amnesty; and an election calendar. The 1983 Contadora objectives and more recent Central American negotiating initiatives, including proposals put forth by President Oscar Arias of Costa Rica on February 15, 1987, also make clear that democracy can no longer be left to appearances.

Antigua and Barbuda

Parliament	Apr. 1984	By 1989

Antigua and Barbuda, which achieved its independence from Great Britain in 1981, has a parliamentary system of government with an elected House of Assembly and an appointed Senate. The British monarch, who continues to be recognized as chief of state, is represented by an appointed Governor General. The governing Antigua Labor Party (ALP), led by Prime Minister V.C. Bird, Sr., won decisively in the April 1984 elections, defeating an opposition coalition composed of the United People's Movement, the People's Labor Movement, and the Antigua Caribbean Liberation Movement. Although the centrist ALP swept 16 of 17 parliamentary seats, the election was considered free and fair by all accounts. A new opposition party, the United New Democratic Party (UNDP), was formed in March 1986 from the remnants of several old opposition parties. The UNDP, which has attracted several newcomers to politics, has a moderate, pro-Western philosophy.

Argentina

Congress	Nov. 1985	Nov. 1987
President	Oct. 1983	Nov. 1989

Argentina's most recent return to democracy began with a record-breaking turnout of more than 15 million voters in presidential and congressional elections on October 30, 1983. Argentines also went to the polls in large numbers in October 1984 in a nonbinding plebiscite on the Beagle Channel Treaty prior to the treaty debate in the Congress. Subsequent legislative elections in 1985 were widely considered an important step in consolidating democracy in Argentina. A wave of terror bombings designed to disrupt the campaign failed when the government invoked a state of siege, which in no way interfered with the campaign or the polling. The nearly 84% turnout, which approached that of the 1983 presidential election, was seen as a massive repudiation of violence and a popular affirmation of democracy. Distribution of the vote probably also helped to consolidate democracy: while the governing Radical Civic Union Party of President Raúl Alfonsín maintained its majority in the lower house, the Justicialist (Peronist) Party, despite serious internal divisions, polled sufficient support to maintain its plurality in the Senate and its credibility as a potential democratic alternative. In late 1986, parties began active campaigning for the 1987 round of congressional and provincial elections.

The Bahamas

Parliament	June 1982	By 1987

The Commonwealth of The Bahamas became an independent member of the British Commonwealth on July 10, 1973. As in most other Commonwealth nations, the chief of state is the British monarch, who is represented by an appointed Governor General. The government is a Westminster-style parliamentary democracy. The executive and the legislative branches are interdependent, but the judiciary is independent. Parliament, which has a maximum term of 5 years, consists of two houses: an appointed, 16-member Senate and an elected 43-member House of Assembly. The Senate's members are appointed by the Governor General on the advice of both the Prime Minister and the leader of the opposition. Members of the House of Assembly are elected from individual constituencies. Prime Minister Sir Lynden O. Pindling's Progressive Liberal Party (PLP) has won five consecutive national elections dating back to 1967. The next election must take place by August 1987.

Barbados

Parliament	May 1986	By 1991

One of the most stable and prosperous countries in the Caribbean, Barbados is a flourishing parliamentary democracy with an elected lower chamber (House of Assembly) and a nominated upper chamber (Senate). The chief of state is the British monarch, who is represented by an appointed Governor General. Elections constitutionally are due every 5 years. There is a well-established two-party system; both parties are moderate, centrist, and pro-Western. Major differences center on personalities rather than philosophy. The ruling Democratic Labor Party (DLP) of Prime Minister Errol Barrow is closely allied to the island's major labor union and won 24 of 27 seats in the May 1986 elections. The opposition Barbados Labor Party won three seats and is led by Henry Forde. Although there are several radical, left-wing parties active in Barbados, they do not pose a challenge to the dominance of the two major parties. Elections have been scrupulously free and keenly contested.

Belize

Parliament	Dec. 1984	By 1989

Belize achieved independence from Great Britain in 1981 after an extended period of internal self-government. The pattern exemplifies the successful local adaptation of the British parliamentary tradition that flourishes in the Caribbean. In December 1984, in the first general elections since independence, the United Democratic Party (UDP) led by Manuel Esquivel won 21 of 28 seats in the House of Assembly. Voter turnout was moderate, and the election was free of any charges of fraud. The UDP, a moderate-to-conservative party, favors private enterprise to diversify Belize's sugar-based economy. The major opposition party is the moderate-to-leftist People's United Party.

One Inspiration, Many Models

In 1813, Thomas Jefferson imagined the day when the people of Latin America would be liberated from colonial rule and military despotism. In a letter to his old friend Lafayette, he predicted that the inevitable conflicts of the old autocratic order would "bring the people into motion, into action, and into the exertion of their understandings." The example of the United States, Jefferson hoped, would be "an excitement as well as a model for their direction."

In their struggle for independence, the peoples of Latin America and the Caribbean did find inspiration in many of the same Enlightenment principles that formed the basis of Jefferson's constitutional thought. The philosophers of the Enlightenment believed that, just as there were laws of Nature, there were laws that governed human activity. They had limitless confidence in the ability of reason to discern those laws and apply them to human affairs. They also believed that man could be persuaded by Reason to conform to those laws without resort to the tyrannical and barbarous practices of earlier governments.

It was in the New World that men first attempted to apply these principles and to systematize not only the laws that govern the citizens of the state but also the rights of those citizens. These principles, spelled out in constitutions throughout the Americas, are familiar to all of us: government derives its authority from the consent of the governed; all men are equal under the law and entitled to due process; government has an obligation to guarantee individual liberties such as freedom of speech, of assembly, and of religion; and the constitution itself forms a body of supreme law.

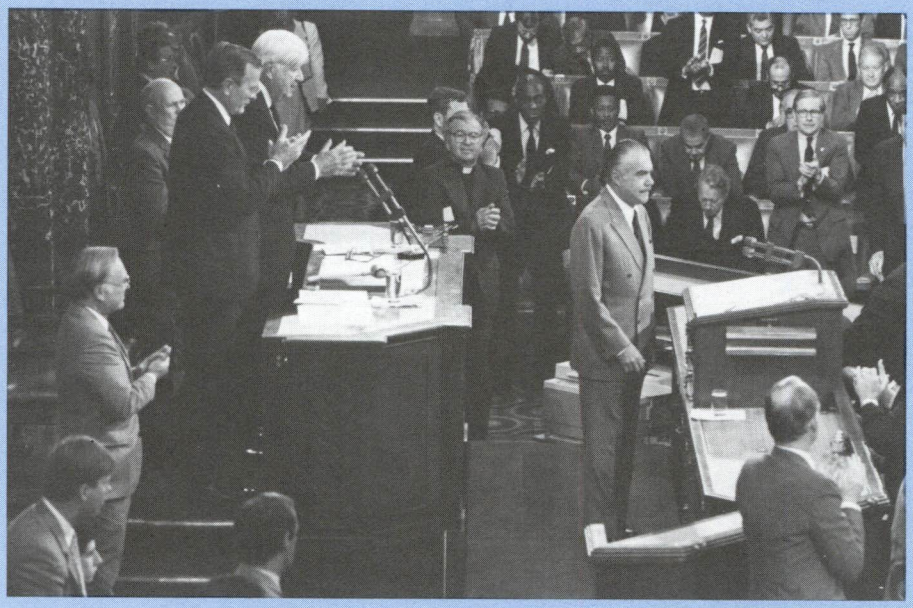
The people of Latin America and the Caribbean sought additional inspiration in the French "Declaration of the Rights of Man and of the Citizen" and the Spanish Constitution of 1812. A number of the original Latin American constitutions went beyond the U.S. model by outlawing slavery. Constitutional revisions in this century have emphasized economic and social rights conforming to contemporary conceptions of social justice.

As Jefferson had envisioned, the United States did serve as an inspiration for the independence movement throughout the Western Hemisphere. Today, however, U.S. policy does not envision a single model of government for our neighbors. We know now that that is neither possible nor desirable. The region's constitutions establish many different forms of government—federal and unitary, parliamentary and presidential, republic and commonwealth. But Jefferson's essential vision remains: as democratic neighbors, we have a role to play in support of a democratic transition based on the values that all people of the Americas share—liberty, equality, justice, and peace.



Top: The Barbados House of Assembly is one of the oldest representative bodies in the world. The House, the lower chamber of the modern Parliament pictured here, has met continuously since 1639. (Photo courtesy of the Barbados Board of Tourism, New York)

Bottom: Brazilian President José Sarney tells a joint session of the U.S. Congress on September 11, 1986: "The true name of peace is democracy, because democracy is understanding, the capacity to find solutions other than the solutions of might." (Photo courtesy of the U.S. House of Representatives)



Bolivia

Congress, President	July 1985	**July 1989**
Municipal	July 1985	**Dec. 1987**

Bolivia returned to democratically elected government in October 1982 following 18 years of military regimes. In 1984, faced with an increasingly chaotic economic situation, inflation of more than 20,000%, severe social unrest, the specter of a military coup, and the incapacitation of his government, President Hernán Siles Zuazo called for national elections in July 1985, a year ahead of schedule. The first round of the 1985 balloting gave no candidate an absolute majority. In accordance with the Bolivian Constitution, the Congress then chose between the principal vote winners and elected Victor Paz Estenssoro president.

Once installed, the Paz government moved swiftly and successfully, with the support of losing presidential candidate Hugo Bánzer and his Nationalist Democratic Action Party, to impose stringent economic reforms and deal with disruptive social elements. In 1986, the Paz administration requested U.S. military assistance to mount a very effective drug interdiction campaign despite severe domestic political criticism.

Brazil

President	Jan. 1985 (indirect)	**Jan. 1991* (direct)**
Mayoral	Nov. 1985	**Nov. 1989**
Congress, Governors	Nov. 1986	**Nov. 1990**

Brazil has held three major elections in the last 2 years. Following two decades of military rule, a civilian was elected president by an electoral college on January 15, 1985. The President-elect, Tancredo Neves, fell ill on the eve of his inauguration and died without taking office. Vice President-elect José Sarney became president. President Sarney has established himself as a major political figure in his own right. The Sarney administration is backed in Congress by the Democratic Alliance, comprised of two centrist parties: the PMDB (Party of the Brazilian Democratic Movement) and the PFL (Liberal Front Party). Together, they have instituted significant changes in the social and economic spheres.

A second major election was held on November 15, 1985, when Brazilians voted for mayors of the capital cities of the country's 23 states. The Democratic Alliance won most of the races. A third election on November 16, 1986, selected governors, federal deputies, two-thirds of the Senate, and state legislatures. Again, the Democratic Alliance scored a major victory, with the PMDB winning 22 of 23 gubernatorial races and majorities in the Chamber of Deputies and the Senate. The election was especially significant because the Congress will write a new constitution for Brazil.

* The new constitution may change the presidential term; thus, it is possible that the next presidential elections will be held before January 1991.

Chile

Constitutional plebiscite	Sept. 1980	**1989**

The military took power in Chile in September 1973, replacing an elected government led by Marxist Salvador Allende, whose alliance with both Marxist-Leninist radicals and Moscow-line communists was creating mounting opposition and disorders in what had previously been considered one of Latin America's most democratic countries. The military ruled by decree until 1981, when a constitution ratified by a September 1980 plebiscite took effect. The constitution's provisions and the conditions under which it was adopted were criticized by opposition groups.

The constitution confirmed Gen. Augusto Pinochet as president until 1989, at which time another plebiscite is scheduled to vote on a single candidate nominated by the junta of commanders of the army, navy, air force, and police to serve until 1997. If the junta's nominee receives a majority of the votes cast, he would assume his duties on March 11, 1989. If the nominee is not confirmed in the plebiscite, the constitution provides for open presidential and congressional elections to be held 90 days before the completion of Pinochet's current term extended by 1 year; that is, the new election would be held 90 days prior to March 11, 1990. On that date, the newly elected president and Congress would accede to power.

President Pinochet has publicly opposed any changes to the 1980 constitution, although opposition representatives and some government supporters have advocated replacing the plebiscite with free elections. A constitutional amendment allowing free elections in 1989 is theoretically possible, if proposed by President Pinochet and ratified by plebiscite.

While the 1973 military takeover enjoyed considerable popular backing, opposition to continued military rule has grown over the 13 years of the Pinochet government. It responded to mounting public opposition and demonstrations with a tentative political opening in 1983, which ended with the imposition of a state of siege. Another period of liberalization followed the removal of the state of siege in mid-1985, but the Pinochet government firmly rejected dialogue with the democratic opposition, which had by then come together in a broad coalition of political parties known as the National Accord. The Chilean far left, meanwhile, has actively supported terrorist violence in hopes of blocking development of conditions that might lead to a peaceful transition to full democracy. The government, in turn, has used this communist-sponsored terrorism to justify broad crackdowns against the opposition. An assassination attempt against President Pinochet by communist terrorists in September 1986 led to reimposition of a state of siege, which was lifted in January 1987.

The Pinochet government has taken some steps to establish the juridical framework for the presidential plebiscite expected in 1989: adopting an electoral registration law in 1986 and announcing that a law to legalize democratic political parties would be promulgated early in 1987. But severe restrictions on political activity and other human rights prob-

lems persist. Efforts to improve the political atmosphere and restore fundamental freedoms such as freedom of assembly and speech are necessary for meaningful progress on a transition to full democracy. The United States has strongly supported a return to elected, democratic civilian government in Chile, welcoming the National Accord and urging dialogue between the government and the democratic opposition.

Colombia

Congress	Mar. 1986	**Mar. 1990**
President	May 1986	**May 1990**

Colombia has been governed by democratically elected governments for most of this century. The only exception was the dictatorship of Gen. Gustavo Rojas Pinilla (1953–58). Since then, the Liberal and Conservative Parties have dominated the political system, generally alternating the presidency between them. Congressional and presidential elections in 1982 and 1986 were considered free of fraud. The 1986 presidential election, which saw heavier than usual voter turnout, produced a landslide victory for Liberal Virgilio Barco Vargas over Conservative Alvaro Gomez Hurtado. President Barco continued efforts to entice guerrillas to join the political system.

Costa Rica

President, Congress	Feb. 1986	**Feb. 1990**

Costa Rica is one of Latin America's oldest constitutional democracies. The Constitution of 1949 eliminated the army in order to end any institutionalized military threat to elected civilian government; created a fourth branch of government—the Supreme Electoral Tribunal—with remarkable independent powers to assure scrupulously honest elections; and prohibited presidential reelection (or the election of anyone in the president's cabinet or immediate family). National elections, held every 4 years, select the president, two vice presidents, the entire Legislative Assembly, and local municipal councils.

In 1982 and 1986—and for many years before—the elections were actively contested, free of fraud, and featured voter turnouts of approximately 85%. Two major parties—both moderate—dominated both elections: the Christian democratic Social Christian Unity Party and the social democratic National Liberation Party. The latter captured both the presidency and the legislature in the last two elections. Other parties active in the 1982 election included the center-right National Movement, the communist Pueblo Unido coalition, and the fringe Independent and Democratic Parties. The 1986 election, which gave the presidency to Oscar Arias, also included the communist Popular Alliance, the communist Pueblo Unido coalition, the personalist National Christian Alliance, and the fringe Independent Parties. An earlier split within the Costa Rican Communist Party (PVP) was successfully arbitrated by the Supreme Electoral Tribunal.

Cuba

Although Fidel Castro's ascension to power in 1959 was based in part on his promises to bring democratic freedoms, Cuba is a communist one-party state, and—with the fall of Trujillo in the Dominican Republic and Duvalier in Haiti—the most important exception to Caribbean traditions of democracy and representative government. The Cuban constitution contains provisions for popular and competitive elections; freedom of the press, speech, and religion; and guaranties of civil liberties. However, in accordance with the constitution, these protections are not available to "enemies of socialism," as defined by the state. Thus, Castro rules through classic authoritarian and Marxist-Leninist repression. There are no independent institutions or freedom of press or speech. Neither an independent judiciary nor a free trade union exists, and there are restrictions on religious practice.

Behind the ideological smokescreen, Castro's government is that of an aging, traditional *caudillo,* within the modern control mechanism of the 20th century party-state. There is no concept of a legal organized opposition, and this is summed up in Fidel Castro's aphorism: "Within the revolution, everything; against the revolution, nothing." Under these circumstances, those elections that have been held in Cuba since the revolution have been recognized as meaningless.

Dominica

Parliament	July 1985	**By 1990**

Dominica is a parliamentary democracy in the British tradition with an elected House of Assembly and nominated Senate. Unlike the other states of the Organization of Eastern Caribbean States (OECS), where the chief of state (the British monarch) is represented by an appointed Governor General, the head of state in the Commonwealth of Dominica is the president. Dominica, however, remains a member of the Commonwealth and continues to recognize Queen Elizabeth II as sovereign. Elections are constitutionally due every 5 years and have been free and fair. In the 1985 national election, the Dominica Freedom Party (DFP) of conservative, pro-Western Prime Minister Eugenia Charles defeated the leftwing opposition Labor Party of Dominica and the affiliated Marxist-led Dominica United Labor Party.

Dominican Republic

President, Congress	May 1986	**May 1990**

Despite an earlier history of alternating civil turmoil and authoritarian rule, democracy and fair election procedures have become institutionalized in the Dominican Republic. Suffrage in the Dominican Republic is universal and compulsory for those over age 18 and married. Over 70% of the registered voters participated in the 1986 national

elections. The country's three major political parties, the Reformist Party, the Dominican Revolutionary Party, and the Dominican Liberation Party, are represented at all levels of the government—federal, state, and local. With the election of Joaquín Balaguer in May 1986, the Dominican Republic has now had six consecutive elections at 4-year intervals. This follows a 5-year period of instability (1961–66) and the long dictatorship of Rafael L. Trujillo (1930–61). Two of those elections—in 1978 and 1986—resulted in the transfer of power to the major opposition party.

Ecuador

Congress, Municipal	June 1986	**Jan. 1988**
President	May 1984 (2d round)	**Jan. 1988 (1st round)**

Seven years of military rule ended in 1979 when Ecuador returned to civilian rule with elections under a new constitution. The constitution stipulates that no president may succeed himself. The inauguration of President León Febres Cordero on August 10, 1984, marked the first transition in 24 years from one elected democratic government to another.

Democratic institutions have had to survive several potentially destabilizing events since 1979. In May 1981, President Jaime Roldós died in a plane crash, but Vice President Osvaldo Hurtado assumed power in an orderly transition even though he belonged to a different party. In March 1986, a disgruntled air force general, Frank Vargas, staged two uprisings against the government of President Febres Cordero. In January 1987, rebellious air force troops supportive of Vargas briefly kidnaped the president and obtained Vargas' release from military custody. This incident generated coup rumors and led to opposition calls for Febres Cordero's resignation. In response, the Ecuadorean Armed Forces publicly rejected the notion that they might use the crisis to reimpose military rule, and Febres Cordero declared his intention to complete his term and to hold elections as scheduled in 1988.

Febres Cordero, a businessman, is a member of the Social Christian Party (PSC), which in the 1984 elections joined several other parties in a coalition called the National Reconstruction Front to defeat the presidential candidacy of Rodrigo Borja Cevallos of the Democratic Left (ID). Borja is one of several candidates expected to seek the presidency in 1988. In the midterm elections of June 1986, the ID won 17 seats in the unicameral Congress, giving it the largest congressional representation of any political party. The ID and other opposition parties hold a total of 40 of the 71 seats in Congress and have vigorously debated government initiatives, especially economic policy.

El Salvador

President	May 1984	**May 1989**
Congress, Municipal	Mar. 1985	**Mar. 1988**

In 1979, a reformist coup began what has turned out to be a gradual transition to democracy despite civil war and foreign intervention. In 1982, popular elections were held for a constituent assembly. Political parties allied with the guerrilla umbrella organization, the Farabundo Martí National Liberation Front (FMLN), rejected an offer of automatic registration for the elections, and called on voters to stay home. Very heavy voting was widely interpreted as a popular plea for peace. When none of the six participating parties won a majority, the assembly selected independent lawyer Alvaro Magaña Borja to head a government of national unity.

A presidential election was held on March 25, 1984. Eight candidates representing a broad political spectrum competed in the first round. José Napoleón Duarte, a founder of the Christian Democratic Party and former populist mayor of San Salvador, and Roberto D'Aubuisson, a retired army officer and leader of the ARENA (National Republic Alliance) party, received the most votes. In a runoff held on May 6, 1984, Duarte won 54% of the vote to become El Salvador's first freely elected civilian president in more than 50 years; more than 80% of the electorate went to the polls.

International observers attested to the fairness of both rounds of the 1984 presidential elections. Legislative and municipal elections, held as scheduled in March 1985, were again judged by international observers to have been free and fair. In a surprise result, the Christian Democrats obtained an absolute majority in the Legislative Assembly by winning 33 of 60 seats. The remainder of the seats were split among ARENA (13 seats), the Party of National Conciliation (12 seats), and several minor parties. El Salvador is now preparing for the next round of Legislative Assembly (1988) and presidential (1989) elections. In addition to the established parties, new conservative and social democratic parties are seeking legal inscription from the Central Electoral Council and working to build support for the next elections.

Grenada

Parliament	Dec. 1984	**By 1989**

The parliamentary elections of December 3, 1984, were the first national elections since 1976, the first since the rise and disintegration of the Marxist New JEWEL Movement, and the first since the brief 1983 U.S.-Caribbean military operation to restore order. Not surprisingly, the elections took place under the close scrutiny of several observer organizations. The observers concluded overwhelmingly that the elections were free and fair. The 84% voter turnout produced a firm mandate for the New National Party coalition led by Herbert Blaize. Five other parties participated in the elections, including the Grenada United Labor Party of former Prime Minister Sir Eric Gairy and the Maurice Bishop Patriotic Movement, formed by supporters of the late Marxist prime minister, who had ousted Gairy in the 1979 coup.

Guatemala

Congress	Nov. 1985	**Nov. 1990**
President	Dec. 1985 (runoff)	**Nov. 1990**

Constituent Assembly elections on July 1, 1984, with the participation of an unprecedented 72% of the eligible electorate were characterized by international observers to have been remarkably free and open. The number of voters exceeded by nearly 800,000 the previous high recorded in 1982. Nine political parties and one regional civic committee, covering the legal political spectrum in Guatemala, won seats. In the 1985 National Assembly elections, three parties or coalitions, representing the right, center, and left, won 23, 21, and 20 seats respectively. The left-of-center Christian Democrats ran well in the heavily populated Indian highlands. The center-right Union of the National Center won the majority of seats in the capital area and made a strong showing on the south coast. The conservative parties (particularly the National Liberation Movement) fared less well than expected but retained their traditional strongholds in the eastern portion of the country. At the other end of the political spectrum, the Social Democratic Party competed openly after years of exile and won one congressional seat. President Vinicio Cerezo of the Christian Democratic Party was inaugurated on January 14, 1986. Guatemala still faces formidable social, cultural, human rights, and economic problems, but the progress made since 1984 is encouraging.

Guyana

President, National Assembly	Dec. 1985	**No later than Mar. 1991**

While Guyana maintains the structure of a multiparty parliamentary republic within the Commonwealth, its 1980 constitution defines the country as a "democratic sovereign state in the course of transition from capitalism to socialism." The constitution states that presidential, National Assembly, and regional elections are to be held every 5 years. Since 1964, the People's National Congress (PNC) has dominated political life in Guyana. Opposition parties and some civic organizations have charged electoral fraud. Since 1980, there have been two elections, the first on December 15, 1980, and the most recent on December 9, 1985. In the last election Desmond Hoyte was elected president. Opposition parties have either pulled out of these elections (1980) or refused to acknowledge the results as valid (1985). Municipal elections were scheduled for December 1986 for the first time since 1970; however, the opposition parties decided to boycott the elections even before nominations were closed. They alleged that the elections would not be fair since the PNC dominated the electoral machinery. The unopposed PNC candidates were declared elected by the elections commission, but no voting took place.

Haiti

Constituent Assembly	Oct. 1986	**Not applicable**
Constitutional Referendum	Not applicable	**Mar. 1987**
President, Congress	Not applicable	**Nov. 1987**

On February 7, 1986, President-for-Life Jean-Claude Duvalier fled Haiti, ending almost 30 years of autocratic government under the Duvalier family. He left behind an impoverished people with the lowest per capita GDP in the Western Hemisphere, a bankrupt government, a faltering economy, and an almost complete lack of institutions capable of participating effectively in a democracy. The "elections" held during the Duvalier era were designed to perpetuate the status quo and placate aid donors insistent on tangible evidence of democratic reform.

The National Governing Council (CNG), the transitional government led by General Henri Namphy, replaced Duvalier, eliminated the repressive symbols and practices of his regime, and set in motion a process of political institution-building. In June 1986, the council issued a comprehensive political calendar. Fulfilling one of the initial steps in the calendar, the CNG held Constituent Assembly elections on October 19. The assembly will draft a new constitution which then is to be approved in a national referendum in March 1987. Elections are to be held in November 1987 for a president and for members of the national legislature. Dates of future elections will be determined with the adoption of a new constitution.

Honduras

President, Congress	Nov. 1985	**Nov. 1989**

The April 1980 Constituent Assembly elections began a process that ended nearly 18 years of military rule. On November 29, 1981, Roberto Suazo Córdova of the Liberal Party won 54% of the presidential votes and 44 of 82 congressional seats. The major opposition party, the National Party, won 34 seats. Suazo's inauguration in January 1982 restored democratic civilian government to Honduras. In 1985, José Azcona Hoyo of the Liberal Party won election as president with about 51% of voters casting ballots for his party. The Liberal Party won 67 of 134 congressional seats and the National Party won 64. Azcona's election led to the first transfer of power between two democratically elected presidents in Honduran history.

The National Party, the oldest political party in Honduras, has traditionally maintained a moderate-to-conservative ideology and close ties to the Honduran military. The Liberal Party, which developed from the National Party in the early years of this century, has maintained a slightly more reformist ideology. Two smaller parties, the Innovation and Unity Party and the Christian Democratic Party, have taken positions somewhat to the left of the two major parties, but neither has obtained substantial electoral support. The National Congress recently passed elec-

toral reforms that include the introduction of American-style party primaries and conventions to select presidential candidates.

Jamaica

Parliament	Dec. 1983	**By 1988**

Jamaica, a member of the Commonwealth, has been a functioning democracy since independence in 1962. Under the country's parliamentary system, elections are held for members of the House of Representatives in each of the country's 60 constituencies. The constitution requires the prime minister to call a general election not later than 5 years after the first sitting of the previous parliament. The 1980 election saw the Jamaica Labor Party (JLP) defeat the then-ruling People's National Party (PNP) led by Michael Manley. In 1983, Prime Minister Edward Seaga called a "snap" election. The PNP boycotted the election because it contended that new elections should not be held until the voter rolls were updated. Following a revision of the rolls and the adjustment of electoral districts to reflect population shifts, the PNP participated in island-wide municipal elections on July 29, 1986. Opposition victories in 12 of the 13 parishes have led to PNP domination of local government, while the JLP controls the national government. The next parliamentary election must be called by December 1988 and held within 3 months of being called.

Mexico

President	July 1982	**July 1988**
Chamber of Deputies	July 1985	**July 1988**

Unlike many countries in the region, civilians have governed Mexico throughout most of the 20th century. For almost 60 years, this leadership has been drawn exclusively from the Institutional Revolutionary Party (PRI). PRI candidate Miguel de la Madrid was elected president in 1982. But in recent years, opposition political parties have grown in membership and have run successfully in some municipal and legislative elections. Under electoral reforms begun in the late 1970s and modified in 1986, opposition parties have begun to play an increasingly important role in the Chamber of Deputies, the lower house in Mexico's bicameral national legislature. Beginning with the new Chamber that will be elected in 1988, at least 200 of that body's 500 seats will be allocated to the opposition on the basis of a modified form of proportional representation. In addition, the opposition will still be able to compete for the Chamber's remaining 300 seats, which are elected on the basis of single-member districts. In the July 1985 congressional elections, the opposition won 8 of the 300 single-member districts then being contested. One-hundred seats allotted to the opposition in 1985 were divided among eight opposition parties on the basis of proportional representation. The opposition, of which the National Action Party (PAN) is the largest component, often accuses the PRI and electoral officials of fraudulent practices. On some occasions, election reviews have indicated irregularities at the local level and initial PRI victories have been overturned. In general, however, election campaigns and balloting are conducted in an open manner.

Nicaragua

President, Congress	Nov. 1984	**1990**

In July 1979, a broadly based coalition, whose military component was the Sandinista National Liberation Front (FSLN), overthrew the 44-year-old Somoza dynasty. The promised democracy never materialized. In April 1980, moderate members of the original revolutionary junta resigned, and, by the end of 1981, the FSLN held all key positions.

After rejecting elections as useless bourgeois trappings, the Sandinistas announced presidential and congressional balloting for November 1984, the week before the U.S. elections. The key opposition force was the *Coordinadora,* made up of political parties, labor unions, and private sector organizations, which nominated former junta member Arturo Cruz as its presidential candidate. The *Coordinadora* ultimately did not register its candidates because it believed the FSLN failed to provide the conditions necessary for free and fair elections. *Coordinadora's* rallies were broken up by government-sponsored mobs. Although the electoral law required that all parties be given equal time on television, opposition parties were denied access to the media. The FSLN received 67% of the vote, and Daniel Ortega was elected president. Some 75% of those eligible voted. Power was not at stake in the way the FSLN conducted the elections, but the fact of holding elections at all did give the FSLN some credit abroad.

Since 1984, political parties opposed to the FSLN have attempted to maintain some semblance of political life inside Nicaragua while exile groups, most of them linked to the armed resistance, have formed the United Nicaraguan Opposition (UNO), the Southern Opposition Bloc (BOS), and the Miskito-Sumo-Rama Indian Unity (MISURASATA).

A new constitution was promulgated January 9, 1987, but was followed the same day by the declaration of a state of emergency. The government had said that municipal elections would be held in 1987 but did not set a specific date. Since then, the government has equivocated on that promise.

Panama

President, Congress	May 1984	**May 1989**

In 1968, the late Gen. Omar Torrijos and several other military leaders seized power, instituting prolonged rule by the National Guard (subsequently known as the Panamanian Defense Forces). The

Panamanian Constitution, in effect since 1972, provides for basic civil liberties; freedom of the press, speech, and assembly; and regular, competitive elections. While Panama is generally viewed as an open society and constitutional norms are followed for the most part, the Defense Forces' involvement in governmental affairs is pervasive.

The 1984 elections, the first direct presidential and legislative elections held in Panama since Torrijos came to power, remain a source of friction between the government and opposition party leaders. Although more than three-quarters of Panama's electorate participated in the elections, the vote was widely perceived as flawed, due to the prolonged vote tabulation process which was marked by irregularities. The resignation in September 1985 of President Nicolás Ardito Barletta, who had been declared the winner of the 1984 contest, under pressure from the Panamanian Defense Forces was viewed as a further setback to democracy. Barletta was succeeded by Eric Arturo Delvalle, who had been elected vice president in 1984.

The Democratic Revolutionary Party is the largest member of the National Democratic Union Coalition, the political organization affiliated with the Panamanian Defense Forces. The Panameñista Party of Arnulfo Arias is the opposition party with the greatest mass support, but historically it has been a major political force only when Arias has been an active candidate. The Panamanian Christian Democratic Party is well-connected internationally, maintaining close contact with the Christian Democratic International. This opposition party is respected for its ideological integrity but lacks a significant grassroots following.

Paraguay

President, Congress	Feb. 1983	**Feb. 1988**

There has been little change in Paraguay's political system since Gen. Alfredo Stroessner emerged as the political strongman in 1954 following several years of instability. The legal opposition parties are guaranteed one-third of the seats in Congress but are effectively powerless. A state of siege is continuously renewed and human rights problems persist. Though Paraguay has few political prisoners, the free exercise of individual liberties is curtailed, and opposition media voices remain banned or under heavy government pressure. In February 1983, President Stroessner was reelected to a seventh term that ends in 1988. The elections resulted in the ruling Colorado Party officially receiving more than 90% of the votes cast. Opposition party officials claim, however, that the elections were characterized by impediments to voter registration, fraud, ballot-box stuffing, and tabulation irregularities. The United States strongly supports the evolution of a more open political system in Paraguay, in which freedom of the press and expression are protected and all democratic parties can participate.

Peru

Congress, President	Apr. 1985	**Apr. 1990**
Municipal	Nov. 1986	**Nov. 1989**

Peru returned to democratic rule in 1980, ending 12 years of military dictatorship. The new constitution, promulgated in 1979, provides for the separation of powers among an executive (president), a bicameral legislature, and a judiciary; one 5-year term for the president; a second-round balloting system in presidential elections; and enfranchisement of illiterates. In the 1980 elections, Fernando Belaúnde Terry, whom the military had ousted in 1968 when it came to power, was elected president. In April 1985, Peru again had free and fair elections for a president, two vice presidents, and 240 members of the two houses of Congress. In July 1985, the Popular Action Party of President Belaúnde turned power over to the rival American Popular Revolutionary Alliance Party (APRA) of President Alán García marking the first transfer of power between democratically elected civilian presidents in 40 years. APRA also gained a majority in the Congress. Nationwide municipal elections in 1980, 1983, and 1986 have reinforced the democratic trend and have recently brought local self-government to many rural communities for the first time

APRA, founded by Víctor Raúl Haya de la Torre in 1928, was Peru's first mass political party. Inspired by the Mexican Revolution, APRA has been both anti-imperialist and anti-Marxist. Over the years, it has evolved into a social democratic party; it champions integration of all of the disparate elements of the Peruvian population into the country's society. The center-right Popular Christian Party favors a greater role for private enterprise in the economic development of Peru. The United Left (IU) is a coalition of leftist parties, including two communist organizations and entities further to the left of the communists. In the 1983 municipal elections, the IU won the mayoralty of Lima, Peru's capital and largest city; the APRA candidate won this position in the 1986 local elections. Ex-President Belaúnde's Popular Action Party fared badly in the 1985 national election and became a minority party.

St. Christopher and Nevis

Parliament	May 1984	**By 1989**

St. Christopher (commonly called St. Kitts) and Nevis, which became an independent member of the Commonwealth in 1983, has a parliamentary system of government with an elected House and an appointed Senate. Prime Minister Kennedy A. Simmonds, leader of the People's Action Movement, rules in coalition with the Nevis Reformation Party, led by Simeon Daniel. This coalition government returned to power in a peaceful, democratic election in 1984. The leader of the opposing St. Christopher-Nevis Labor Party, Lee Moore, lost his seat in the 1984 elections, thus limiting his ability to challenge the present government.

St. Lucia

Parliament	May 1982	By 1987

St. Lucia—an independent nation within the Commonwealth since 1979—is a parliamentary democracy in the British tradition with an elected House of Assembly and nominated Senate. Elections are constitutionally due every 5 years and have been free, fair, and keenly contested. The centrist St. Lucia Labor Party (SLP) won the first postindependence election in 1979 but was brought down by internal squabbling and economic decline. The governing United Workers Party, a conservative party led by Prime Minister John Compton, won the 1982 elections. The Progressive Labor Party, a leftist splinter group of the SLP, is the only other major opposition group but is seen as unlikely to attract any significant electoral support.

St. Vincent and the Grenadines

Parliament	July 1984	By 1989

St. Vincent and the Grenadines is a British-style parliamentary democracy with an elected House of Assembly (lower house) and an appointed Senate (upper house). The country has been an independent member of the Commonwealth since independence in 1979. Elections are due every 5 years and have been free, fair, and keenly contested. Five parties contested the 1984 elections. The two major parties are Prime Minister James Mitchell's New Democratic Party and the opposition St. Vincent Labor Party of newly elected leader Vincent Beache. Both parties are centrist. The three nominally radical parties that contested the 1984 elections were resoundingly defeated.

Suriname

Until a violent military coup in February 1980, Suriname was a functioning democracy with a history largely free of violence. The last national elections—and the only ones held since independence in 1975—were the parliamentary elections of 1977. The new military government, headed by Lt. Col. Desiré Bouterse, suspended the constitution and placed effective power in the hands of a five-member military authority, subsequently reduced to its current two members. In August 1985, Bouterse, the chairman of the military authority, was made head of government. In January 1985, a 31-member National Assembly was appointed; 14 members were nominated by the military, and 17 were nominated by the labor unions and a business association. The assembly was tasked with drafting a new constitution. The military authority announced in December 1986 that the constitution would be ready by March 1987. The constitution is expected to be submitted to a popular referendum by September 1987. General elections are scheduled to be held no later than March 1988. In July 1986, a new cabinet composed of representatives of military, labor, and business groups, as well as of the three traditional political parties, was appointed to implement a program of political and economic reforms. The nature of this program has not been further defined.

Trinidad and Tobago

Parliament	Dec. 1986	By 1992

Trinidad and Tobago achieved independence in 1962, initially retaining the British monarch as head of state. The country became a republic in 1976, replacing the hereditary monarch, represented by an appointed Governor General, with a president as head of state. The government is a Westminster-style parliamentary democracy in which the executive and legislative branches are interdependent; the judiciary is independent. The nation's bicameral Parliament has a maximum term of 5 years. There have been six parliamentary elections since independence. The first five elections were won decisively by the Peoples' National Movement (PNM), formerly headed by late Prime Minister Sir Eric Williams. In the December 1986 general elections, however, the center-to-left National Alliance for Reconstruction, under the leadership of A. N. R. Robinson, resoundingly defeated the ruling PNM.

Uruguay

President, Congress	Nov. 1984	Nov. 1989

Uruguay has one of the longest democratic traditions in Latin America, and voting is taken very seriously. The advent of military rule in 1973, in the wake of long-term economic decline and a serious problem of insurgency and terrorism, is seen by almost all Uruguayans as an anomaly in the country's political history. The return to democratic rule, marked by the inauguration of President Julio Maria Sanguinetti for a 5-year term in March 1985, following elections in November 1984, was supported by the vast majority of Uruguayans. Voter turnout was estimated at more than 90% of the electorate. The victorious Colorados won 41% of the vote, followed by 35% for the Blancos and 22% for the Broad Front. These parties now hold roughly those same proportionate shares

in the bicameral legislature. In addition to the Colorado and Blanco parties, a third political factor is the leftist Broad Front coalition, including Christian Democrats, Social Democrats, socialists, and communists.

Venezuela

Congress, President	Dec. 1983	**Dec. 1988**

Venezuela has had a democratic government since the dictatorship of Gen. Marcos Perez Jimenez was overthrown in 1958. Presidential elections are held every 5 years and are preceeded by years of campaigning. In the last four elections, the opposition party has won and been duly seated. In the 1983 elections, Social Democratic candidate Dr. Jaime Lusinchi was elected president. The central government has considerable power since state governors are appointed, not elected. There are municipal elections for aldermen every 5 years, shortly after the national elections. Although there are a variety of small parties, including the Communist Party, which cover the entire political spectrum, power has alternated between the two major parties, the Social Democrats (Accion Democratica) and the Christian Democrats (COPEI). Venezuelans are enthusiastic supporters of democratic elections and encourage electoral activity in other Latin American and Caribbean nations with less experience.

Dependent Territories

Anguilla

House of Assembly	Mar. 1984	**By 1989**

The British monarch is represented by an appointed Governor, who presides over an elected Executive Council and a House of Assembly. Chief Minister Emile Gumbs led his Anguilla National Alliance to victory in March 1984 over the opposition Anguilla People's Party.

Aruba

Parliament	Nov. 1985	**By Nov. 1989**

On January 1, 1986, Aruba became an autonomous state within the Kingdom of the Netherlands. Prior to this date, Aruba formed part of the Netherlands Antilles. The Aruban Government is a parliamentary democracy. General elections for the 21-member Parliament are held every 4 years. A free election was held on November 22, 1985, to choose the Island Council, which became the National Legislature when Aruba achieved separate status.

British Virgin Islands

Legislative Council	Sept. 1986	**By 1991**

The British Virgin Islands is a British dependent territory governed by an appointed Governor and an elected local government. Former Chief Minister Cyril Romney's government fell to a vote of "no confidence" in August 1986. Elections in September 1986 brought Chief Minister Lavitty Stout's Virgin Islands Party to power.

Cayman Islands

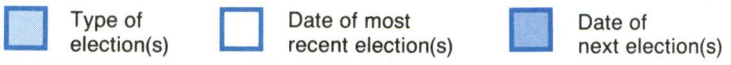
Legislative Assembly	Nov. 1984	**Nov. 1988**

The Cayman Islands is a British dependent territory with a parliamentary form of government. The Legislative Assembly consists of 12 elected members and three official members. There are no political parties in Cayman, though loosely structured "teams" of like-minded politicians have banded together to contest elections. The last election took place in 1984. Elections must take place at least every 4 years.

Montserrat

Legislative Council	Feb. 1983	**By 1988**

Montserrat is a British crown colony. Elections are held every 5 years. In March 1983, Chief Minister John Osborne was reelected, but his People's Liberation Movement lost two of its seven seats in Parliament to the opposition People's Democratic Party.



Netherlands Antilles

Staten	Nov. 1985	By Nov. 1989

The Netherlands Antilles is an autonomous part of the Kingdom of the Netherlands. The government is a parliamentary democracy. There are two levels of government: the central government and the local governments of the island territories of Curaçao, Bonaire, St. Maarten, St. Eustatius, and Saba. General elections for the 22-member Staten, or parliament, and for the Island Councils are held every 4 years.

Turks and Caicos Islands

Legislative Council	May 1984	To be determined

The Turks and Caicos Islands is a British Crown Colony. The government consists of a Governor appointed by the Queen and an 11-member elected Legislative Council. The People's National Party (PNP), headed by Norman Saunders, won eight seats in the May 1984 election. Saunders was appointed Chief Minister but had to resign when he was arrested and subsequently convicted of narcotics trafficking offenses in the United States. Nathaniel Francis replaced Saunders as Chief Minister but resigned in 1986 when a Commission of Inquiry established by the Governor found Francis and two of his ministers unfit to hold public office. The commission also found the leader of the opposition party to have been involved in a conspiracy to commit public order offenses to overthrow the Francis government. As a result of these internal difficulties, the constitution was amended by an Order of Council that replaces the Executive Council, drawn from elected members of the Legislative Council, with an Advisory Council, nominated by the Governor. The constitution is currently under review.

French Overseas Departments

French Guiana

National	Mar. 1986	By 1991

French Guiana normally holds elections every 5 years. It elects one Senator and one Deputy to the French Senate and National Assembly.

Guadeloupe

National	Mar. 1986	By 1991

In Guadeloupe, elections are open, democratic, and actively contested by parties on both the left and the right. Voter turnout is traditionally low; often fewer than 40% of registered voters cast ballots. As a French overseas department, Guadeloupe's political parties are essentially local versions of those competing in metropolitan France. Communists and socialists compete independently of each other on the left, while disagreements have led to the formation of separate *Union pour la Democracie Française and Rassemblement pour la République* slates on the right. Guadeloupe's northern dependencies, St. Martin and St. Barthelemy, operate as separate political entities but retain representation in the regional and general councils located in Guadeloupe.

Martinique

National	Mar. 1986	By 1991

An overseas department of France, Martinique enjoys an open political system. In recent years, elections in Martinique have been highly competitive and often very close, with strong, well-known local candidates heading up tickets offered by both the right and the left.

"Twenty-five years ago, when the Alliance for Progress was first launched, the entire hemisphere seemed to discover that there could be no long-term security without economic development. Today, we are learning a new lesson: in addition to the nexus between security and development, there is a second nexus—this one between security and democracy."

Elliott Abrams,
Assistant Secretary of State
for Inter-American Affairs,
to the Inter-American Defense
College, Washington, D. C.,
June 13, 1986

Additional Information

Recent steps to strengthen the rule of law in Latin America and the Caribbean are summarized in U.S. Department of State Special Report No. 145, "Hemispheric Cooperation in the Administration of Justice," April 1986. The role of the military within a democracy is the subject of Current Policy No. 844, "A Democratic Vision of Security," an address by Assistant Secretary of State Elliott Abrams before the Inter-American Defense College, June 13, 1986. U.S. support for democracy in Central America in accordance with the recommendations of the National Bipartisan Commission on Central America (the "Kissinger Commission") is extensively documented in the report to the President from the Secretary of State, Special Report No. 148, "The U.S. and Central America: Implementing the National Bipartisan Commission Report," August 1986. The progress made in one particular case also is summarized in "Guatemala's Transition Toward Democracy," Public Information Series, November 1986. Special Report No. 132, "Revolution Beyond Our Borders: Sandinista Intervention in Central America," September 1985, examines in detail the manner in which a powerful minority proclaimed itself a vanguard committed to revolutionary internationalism and sought to undermine elections and democratic reforms.

These materials and others on U.S. foreign policy and U.S. relations with Latin America and the Caribbean are available by writing to the Bureau of Public Affairs, Room 5815A, United States Department of State, Washington, D.C. 20520, or by telephoning (202) 647-6575.

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