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OA/ID Number: 13485
Folder ID Number: 13485-012

Folder Title:
Council of the Americas, 5/2/89 [1]

Stack:	Row:	Section:	Shelf:	Position:
G	26	15	7	1

3119

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 4:00 PM

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
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CARD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 4:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

TO: Chriss Winston

April 29, 1989

The NSC concurs with attached Presidential Remarks as noted.


Brent Scowcroft

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

cc: James Cicconi

McGroarty/Dooley
April 28, 1989
11:45 am
Draft 2

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
WASHINGTON, D.C.
MAY 2, 1989

[Introductory remarks, acknowledgements....]

Looking around the world today, in the developing world and even in the communist bloc, we see the triumph of two great ideas: the idea of free government, and the idea of free enterprise.

Certainly, Latin America is proving fertile ground for these ideas. Democracy -- a decade ago the exception -- is today the rule. The symbol of this new breeze is the ballot box. By year's end, 14 national elections will have been held across Latin America and the Caribbean.

And let's remember what it means to vote when democracy itself is at stake. We're not talking about people who may stay home from the polls because it's raining, or rush hour traffic is heavy. We're talking about people risking their lives to exercise their democratic right.

Listen to the words of a Salvadoran man, on the eve of the last month's presidential elections in that country -- elections guerilla forces vowed to disrupt:

"Of course I'm going to vote, although I have to admit it's very scary.... Here, going to the grocery store can be dangerous

-- but you have to do it. And you have to vote, too. We just can't roll over and play dead each time we're threatened."

That's the voice of democracy speaking -- and it's the voice of courage and hope.

a / though there is worry about international debt,)
Economically, there are encouraging signs as well. Mexico has joined GATT, and is moving toward a more open and internationally-oriented economy. In Costa Rica, Brazil and Venezuela new ventures are creating export opportunities that promise a broader economic base. You in the business community are among the pioneers and partners in these changes. You are contributing to Latin America's increased productivity -- you are helping the region to fulfill its potential for progress.

The historic shift in political and economic thinking now underway in Latin America is good news for us all. Our task is clear: to make the most of the new opportunities open to us, we must improve our working partnerships in this hemisphere -- between countries north and south, between government and business, and, in the U.S., between the different branches of the federal government. We share common interests -- we must work towards a common aim.

The U.S. can lead the way. My Administration will work to build a new partnership for the Americas -- a partnership built on mutual respect, and mutual responsibilities.

We seek a partnership rooted in a common commitment to democratic rule.

The battle for democracy is far from over. The institutions of free government are still fragile, and in need of support. Our battlefield is the broad middle ground of democracy and popular government -- our fight against the enemies of freedom on the extreme right and the extreme left.

As a result of the recent Bipartisan Accord on Central America, the United States is speaking with one voice on a matter of crucial importance to peace in Central America: bringing democracy to Nicaragua, and peace to the region.

Let me take this opportunity to make several observations on steps that are vital to peace, security and democracy in Central America:

First, Nicaragua's effort to export violent revolution must stop. We cannot tolerate Sandinista support -- which continues today -- for insurgencies in El Salvador and Guatemala, and terrorism in Honduras. Peace in the region cannot co-exist with attempts to undermine democracy.

Second, we call upon the Soviet Union to end Soviet-bloc support for the ^{Nicaraguan assault on regional democracy.} ~~anti-democratic activities of Cuba and Nicaragua.~~

^{The United States} ~~While the U.S.~~ has not provided military aid to the Nicaraguan Resistance for the past ^{two years, -- yet} ~~18 months~~, the Soviets continue to funnel ^{about} ~~half a billion~~ \$500 million dollars worth of military assistance a year ~~over a million dollars in military aid each day~~ ^{to the Sandinista regime.} ~~to the Sandinista regime.~~ That aid must stop.

The Soviet Union must understand that we hold it accountable for the consequences of its intervention in this hemisphere --

(Good)

and for progress towards peace in the region and democracy in Nicaragua. As the Bipartisan Accord makes clear, continued Soviet support of violence and subversion in Central America is in direct violation of the Esquipulas Agreement concluded by the nations of Central America a year and a half ago.

Finally, within Nicaragua, we want to see a promise kept -- the promise of democracy, withheld by the Sandinista regime for nearly a decade. To this end, the U.S. will continue to supply humanitarian aid to the Nicaraguan resistance through the elections scheduled in Nicaragua for February 1990. The conduct and the outcome of those elections will demonstrate to Nicaragua's neighbors and the international community whether it means to deliver on democracy.

(Strength)

But the Sandinistas' recent actions ^{are ominous.} ~~cause us concern.~~ April 25th was the benchmark date for Nicaragua to have in place electoral laws consistent with free and fair elections. Instead, restrictive new election and press laws have been pushed through the Sandinista-controlled legislature ^{These laws have been unilaterally} ~~over the objections of~~ Nicaragua's opposition parties. ^{have been ignored. The result is a stacked deck}

^{imposed and the proposals of} ~~against the opposition and stacked rules of the game.~~ The election law mandates that ~~(one)~~ half of all foreign political contributions go to the ~~Sandinista-controlled~~ Supreme Electoral Council, ^{which remains under Sandinista control} and ignores proposals put forward by the ~~(Nicaraguan)~~ opposition ~~(to provide)~~ for unlimited freedom of access ← for international election observers. The new law governing press conduct authorizes the Interior Ministry to police

either from a politicized Sandinista military or police or from the neighborhood block committees that control people's ration cards. It means

violations against "national integrity," ~~and to close down news operations found to cross this arbitrary line, for four days.~~ ^{and continues the prohibition of private-sector ownership of television stations.}

If there is to be peace in Nicaragua,

The Sandinista regime must work with the ~~Nicaraguan~~ opposition -- including the Nicaraguan Resistance -- to put in place election and press laws that are truly free and fair.

We know what it means to have free and fair elections. It means ~~freedom for every citizen to cast~~ a secret ballot on election day -- but it also means much more than that. It means the freedom to campaign, to organize, hold rallies -- to use the media and poll public opinion, to operate independent radio and television stations. It means the absence of intimidation, an end to the arrests and bullying of opposition leaders by Sandinista security forces. It means freeing all political prisoners jailed under Sandinista rule, ^{not just former Somoza soldiers.}

~~The people of Nicaragua have waited long enough. It's time for the Sandinistas to deliver the democracy they promised.~~ ^{If the Sandinistas fail this test, it will be a tragic setback -- and a dangerous one. The consolidation of a military tyranny will not be peace; it will be a crisis waiting to happen.}

I want to mention several other Latin nations where elections can signal positive change:

In El Salvador, last month's elections proved another ringing affirmation of that nation's commitment to democracy. We expect ARENA to exercise its political power responsibly. I have conveyed to President ^{-elect} Christiani our concerns about human rights in El Salvador. He shares my concerns, and he's off to a good start.

In Paraguay, the only country whose dictator had held power longer than Fidel Castro, elections have just taken place -- the

(Add in points about politicized military, and control via ration cards)
Better summary line ->

...

first hopeful sign that Paraguay is on its way to joining the democratic mainstream.

In Panama, however, the forecast for freedom is less clear. A free and fair vote in the elections scheduled for this Sunday would enable Panama to take a significant step towards ending the international isolation and internal economic crisis brought on by the Noriega regime. And in spite of intimidation from the authorities, Panama's opposition parties have -- with great courage -- taken their campaign to the Panamanian people. The Noriega regime's candidates are trailing in polls by a margin of 2 to 1.

Unfortunately, it is evident that the regime is ready to resort to massive election fraud in order to remain in power. The Noriega regime continues to threaten and intimidate Panamanians who believe in democracy. It is also attempting to limit the presence and freedom of action of international observers, and to prevent journalists from reporting on the election process in Panama.

Let me be clear: the United States will not recognize the results of a fraudulent election engineered to keep Noriega in power.

It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied. [pause]

Our new partnership must also aim at ensuring that the market economies survive, prosper and prevail.

So far, economic freedom has not kept pace with its political counterpart. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth, in many Latin nations.

That is why the U.S. has made a new commitment to reduce the weight of debt, as Latin governments and leaders take the difficult steps to restructure their economies.

The key point should be clear: debt reduction is a necessary step, but not sufficient in itself to generate growth. Growth requires creation of a climate for investment -- one that will attract new capital, and stem and reverse the flight of capital out of the region.

We recognize that individual debtor economies are different -- and that election schedules do not always match the ideal pace for economic reform. We recognize the competing claims governments must try to satisfy as they work to advance economic reform, service their debt, and respond to the needs of their citizens. But our plan isn't a "now or never" approach. Progress can be an incremental process -- case-by-case, step-by-step -- provided there is a clear commitment to economic reform.

Finally, our common partnership must confront a common enemy: international drug traffickers.

Drugs threaten citizens and civil society throughout our hemisphere. Joining forces in the war on drugs is crucial. There is nothing gained by trying to lay blame and make recriminations. Drug abuse is a problem of both supply and

demand -- and attacking both is the only way we can defeat the drug menace. [pause]

There is a place in this new partnership for you in the Council of the Americas. Thomas Jefferson said that "it is a kind of law of nature that every nation prospers by the prosperity of others." Your efforts contribute directly to the greater prosperity of all nations of the Americas.

The challenges I've spoken of today won't be easy. But all of us -- North and South, in government and in the private sector -- can work together to meet the challenges, and master them.

We've got work to do -- work that won't wait -- to ensure that all the Americas enjoy the peace, freedom and prosperity that we cherish.

Thank you.

3860
Pm. 392
W4916

Reality and Theme

- Democracy in Central America + Panama
- economic debt
- drugs

Panama
Nicaragua

0900 Apr 27

The Secretary's remarks to the Council of the Americas

May 1, 1989

David
Paceki

If you look around the world today, from the Communist bloc to the developing areas, you will see evidence of the triumph of two great ideas: the idea of a free ~~society~~ ^{government} and the idea of a free economy.

The two ideas are really one, joined in a single vision, a vision of democracy. Abroad, it is a vision that causes ordinary people to rejoice and dictators to tremble. Here at home, it is a vision which all Americans should applaud, for freedom is quintessentially our founding vision, the vision of the New World.

A free society and a free economy are now also becoming the models for the rest of the New World that Columbus discovered almost 500 years ago -- the countries of Latin America and the Caribbean. Across this hemisphere, the old barriers of dictatorship and state control are being dismantled.

a decade
Democracy -- 10 years ago the exception -- is today the rule. The ballot box is the concrete symbol of a decade of

political progress in Latin America and the Caribbean. By year's end, 14 national elections will have been held this year alone. And most of them will have offered real choices with real consequences.

Economically, also, there are encouraging signs. Mexico has joined GATT and is making profound changes toward a more open and outward-oriented economy. Costa Rica is exporting cellular phones to third world customers; Brazil is to supply automated supermarket systems to Portugal; and Venezuela is mixing water and oil in a new substance called orimulsion which it is marketing for power plants in Japan.

You in the business community are among the pioneers and partners in these changes. You are contributing to Latin America's productivity and capacity for progress. You have greatly increased the region's potential for success.

These hopeful changes in Latin America, and the historic shift in political and economic thinking now underway, are good news for us all. Once democratic habits have become established, they give people both a stake in their future and mechanisms for change that are less violent and disruptive than the abrupt swings Latin American countries have often known in the past. There is fundamental value, even strategic advantage for the United States, in the stability that comes from

America's economies fuels trade and jobs for the citizens of the United States.

Thomas Jefferson said that "It is a kind of law of nature that every nation prospers by the prosperity of others." Today, the stake we have in the prosperity of our neighbors is greater than ever. Their growth will restore vigor to U.S. trade with Latin America and the Caribbean. Growth will win the approval of the voters in the Latin democracies who are looking to their elected leaders to "deliver the goods." And because it brings diversification, growth is also the key to a new and meaningful kind of independence -- not being dependent on one or two commodities; the independence that comes from having options and freedom to maneuver.

Which brings me to my central point today: to make the most of the new opportunities in the hemisphere, we must improve our working partnerships -- between countries north and south, between the different branches of government, and between government and business. We are all in this together. We must all work together.

We in the Administration intend to reach out to Latin America as never before to build a new partnership for the Americas -- a partnership built on mutual respect and mutual responsibility.

We seek a partnership based on support for democratic forms of government. The battle for democracy is by no means won; in many nations the struggle continues or has only just begun. But it is clear on which side of the battle line we stand: This Administration stands with the people of Latin America in the cause of democracy and against the enemies of freedom on the extreme left and on the extreme right.

On Central America, we have already made a new approach toward partnership with the democratic leaders of this hemisphere. With the full bipartisan support of Congress we have joined together to support the promises of democracy, security, and peace contained in the Agreement signed almost two years ago at Esquipulas by the five Central American Presidents.

Achieving these goals will not be easy. But if the U.S. Congress and the Administration and the democratic governments inside the hemisphere and out work together, we have the best chance of turning the promises of Esquipulas into concrete realities on the ground.

← insert
- security Threat
- Soviets must cooperate
- Sandinistas lack of compliance on election law + media law
(see State Dept sheet)

In Paraguay, the only country with a dictator who had been in power longer than Fidel Castro, elections are taking place ~~today~~ ^{yesterday} under freer and fairer conditions that give hope that Paraguay is on its way to joining the hemisphere's mainstream.

(MAY 1)

In Panama, free and fair elections this coming Sunday would end that nation's political and economic crisis and its international isolation as well. Despite coercion and intimidation and the regime's tight control of the media, Panamanians have mounted an effective campaign for democracy. The regime's candidates are trailing in polls by a margin over 2 to 1. Unfortunately the Noriega regime's response has been to prepare for a massive fraud and to ^Sre~~tr~~ict the presence of international observers and press.

If democracy is to continue to develop in this hemisphere, such practices cannot be tolerated. The position of the United States is clear: There can be and there will be no accomodation with a Noriega-dominated regime. There is still time for the Panamanians to save their country from the increasing destruction wrought by the Noriega dictatorship. The key is in the hands of the Defense Forces. They can fulfill their constitutional duty as professional soldiers and allow the elections to proceed freely and fairly. Or they can face the consequences of the path on which General Noriega has placed them. The days of dictatorship in Latin America are over. They must end in Panama as well.

← omit
take from
draft
presidential
statement

A second element of the new partnership we seek should reflect a common committment to helping new market oriented economies survive, prosper, and prevail. Thus far, economic

freedom has not moved as far along or as fast as political freedom. The economic case for statism and protectionism has never been weaker and the advocates of these regressive policies have never been so few in number, yet statist regulations and entrenched bureaucracies remain largely intact in many nations in the Americas.

That is why this Administration has made a new commitment, through the Brady proposals, to reach out to help reduce the weight of debt -- as Latin governments and leaders take the important, but difficult steps to restructure their economies.

And that is the key point: debt reduction is necessary, but it is not by itself sufficient to generate the needed growth. To grow, Latin America 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 magical 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 the 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.

We recognize that individual debtor economies are different. Their problems are different. Election schedules do not always match ideal timetables for economic initiatives. But, the Brady approach is not an "all or nothing," "now or never" option. Progress will likely come incrementally, case-by-case and step-by-step. No country is precluded from participation so long as a clear commitment is made to needed reforms.

Our common interest in growth demands that each do his part and that all work together: debtor countries, commercial banks, creditor countries, and the international financial institutions. We must be able to count on the full and meaningful participation of all.

Third, our new partnership seeks a common commitment to free and open trade. 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. We are deeply engaged in the Uruguay Round in an effort to dismantle remaining tariff barriers and to grapple with the many nontariff barriers that have sprung up to impede trade. Already making good on the promise of freer and expanded trade, the Caribbean Basin Initiative can go still

further. We welcome proposals in the Congress to enhance opportunities under the Initiative.

Finally, we seek a partnership based on a common commitment to face our common enemies, none more than narcotics traffickers. We all have a responsibility and a part to play. Drugs threaten our citizens and civil society on both sides of the Rio Grande and all shores of the Caribbean. We and the people of Latin America must face this common menace together as full partners instead of wasting time and precious energy in the endless game of mutual blame and recrimination. For the plain truth is that drugs is both a problem of demand and of supply and if we do not tackle both heads of this two headed monster, it will devour us all.

You in Council of Americas have long propounded a vision of cooperation and partnership with Latin America. Your commitment is important as never before. The potential is great, but there are also dangers. The countries which have not yet summoned political will to make needed economic reforms need our encouragement and assistance. They must know that if they are willing to walk down same path as Mexico, Costa Rica, Bolivia, Chile, the financial business community will help them take the next step with debt reduction and new investment.

In conclusion, if I were to summarize our approach, I would say that progress in Latin America towards democracy and the

economic freedom that goes with it makes possible greater cooperation than ever. Democracy within nations makes it easier to practice democracy among nations. We recognize that our dialogue will move at different speeds and follow a somewhat different course for nations like Mexico and Venezuela, which have just installed new governments, than with nations like Argentina and Brazil, which are preparing for elections. But we are prepared to move ahead in partnership with any nation that is ready to make a serious effort. And we intend to use the OAS to help define and support partnership on a regional basis as well.

I do not underestimate the problems, risks, and threats that challenge and assail us. There is no guarantee that all will work out for the best -- the problems are daunting, even for a Texan. But I believe that all of us -- North and South, in government and in the private sector -- can indeed work to meet the challenges of change head on and together. And I believe that if we do, then the Americas will indeed enter the next century living up to its enormous potential.

To Chris

Date 4/21 Time 10:30p

WHILE YOU WERE OUT

M Mutton Murray

of _____

Phone 722-6131

Area Code Number Extension

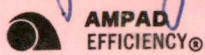
TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input checked="" type="checkbox"/>
CALLED TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	URGENT	<input type="checkbox"/>

RETURNED YOUR CALL

Message _____

National Philanthropy
Day Committee.
ask for ok thru Doug
Wead of a statement by
Bush on KN
giving.

Operator



Doug has all of
the info from
this man.

*Note of
American
Ambassador*

McGroarty/Dooley
April 27, 1989
4:00 pm
Draft 1

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
WASHINGTON, D.C.
MAY 2, 1989
?:00 a.m.

[Introductory remarks, acknowledgements....]

Looking around the world today, in the developing world and even in the communist bloc, we see the triumph of two great ideas: the idea of free government, and the idea of free enterprise.

Certainly, Latin America is proving fertile ground for these ideas.

Democracy -- a decade ago the exception -- is today the rule. The symbol of this new breeze is the ballot box. By year's end, 14 national elections will have been held across Latin America and the Caribbean.

Economically, there are encouraging signs as well. Mexico has joined GATT, and is moving toward a more open and internationally-oriented economy. In Costa Rica, Brazil and Venezuela new ventures are creating export opportunities that promise a broader economic base.

You in the business community are among the pioneers and partners in these changes. You are contributing to Latin

America's increased productivity -- you are helping the region to fulfill its tremendous potential for progress.

The historic shift in political and economic thinking now underway in Latin America is good news for us all. Democracy opens a path towards progress, peace and prosperity -- in sharp contrast to the dictatorships of right and left that have plagued Latin America in the past.

Our task is clear: to make the most of the new opportunities open to us, we must improve our working partnerships in this hemisphere -- between countries north and south, between government and business, and between the different branches of government themselves. We share common interests -- we must work towards a common aim.

The U.S. can lead the way. My Administration will work to build a new partnership for the Americas -- a partnership built on mutual respect and mutual responsibilities.

We seek a partnership rooted in a common commitment to democratic rule.

✓ The battle for democracy is far from over. The institutions of free government are still fragile, and in need of support. Our battlefield is the broad middle ground of democracy and popular government -- our fight against the enemies of freedom on the extreme right and the extreme left.

As a result of the recent Bipartisan Accord on Central America, the United States is speaking with one voice on a matter

of crucial importance to peace in Central America: bringing democracy to Nicaragua, and peace to the region.

Let me take this opportunity to make several observations on steps that are vital to peace, security and democracy in Central America:

First, Nicaragua's effort to export violent revolution must stop. ^{We cannot tolerate} ~~This means an end to Sandinista support~~ -- which continues today -- for insurgencies in El Salvador and Guatemala, and terrorism in Honduras. Peace in the region cannot co-exist with attempts to undermine democracy.

Second, we ^{call upon} ~~look to~~ the Soviet Union to end Soviet bloc support for the anti-democratic activities of Cuba and Nicaragua. While the U.S. has not provided military aid to the Nicaraguan Resistance for the past 18 months, the Soviets continue to funnel \$500 million dollars worth of military assistance a year to the Sandinista regime -- an amount far in excess of legitimate defense needs.

All told, the Soviet Bloc has poured at least \$50 billion in into Cuba and Nicaragua in the past decade. A continuation of this policy raises serious questions about Soviet intentions in Central America, and towards the United States.

Finally, within Nicaragua, we want to see a promise kept -- the promise of democracy, withheld by the Sandinista regime for nearly a decade. To this end, the U.S. will continue to supply humanitarian aid to the Nicaraguan resistance through the elections scheduled in Nicaragua for February 1990. The conduct

million
a day

and the outcome of those elections will tell Nicaragua's neighbors and the international community whether it means to deliver on democracy.

But the Sandinistas' recent actions are troubling. Restrictive new election and press laws have been pushed through the Sandinista-controlled legislature -- over the objections of Nicaragua's opposition parties. We urge the Sandinista regime to work with Nicaraguan opposition parties to put in place election and press laws that are truly free and fair.

The people of Nicaragua have waited long enough. It's time for the Sandinistas to deliver the democracy they promised.

I want to mention two other Latin nations where elections can signal positive change:

In Paraguay, the only country whose dictator had held power longer than Fidel Castro, elections have just taken place -- the first hopeful sign that Paraguay is on its way to joining the democratic mainstream.

In Panama, however, the forecast for freedom is less clear. A free and fair vote in the elections scheduled for this Sunday would enable Panama to take a significant step towards ending the international isolation and internal economic crisis brought on by the Noriega regime. And in spite of intimidation from the authorities, Panama's opposition parties have ^{courageously} taken their campaign to the Panamanian people. The Noriega regime's candidates are trailing in polls by a margin of 2 to 1. Unfortunately, there are signs that the regime intends to

restrict international election observers, and will resort to massive election fraud in order to remain in power.

*Let me
be clear:*

The United States will not recognize the results of a fraudulent election engineered to keep Noriega in power.

It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied.

Our new partnership must also aim at ensuring that the market economies survive, prosper and prevail.

So far, economic freedom has not kept pace with its political counterpart. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth, in many Latin nations.

That is why the U.S. has made a new commitment to reduce the weight of debt, as Latin governments and leaders take the difficult steps to restructure their economies.

The key point should be clear: debt reduction is a necessary step, but not sufficient in itself to generate growth. Growth requires creation of a climate for investment -- one that will attract new capital, and stem and reverse the flight of capital out of the region.

We recognize that individual debtor economies are different -- and that election schedules do not always match the ideal pace for economic reform. We recognize the competing claims governments must try to satisfy as they work to advance economic reform, service their debt, and respond to the needs of their citizens. But our plan isn't a "now or never" approach.

Progress can be an incremental process -- case-by-case, step-by-step -- provided there is a clear commitment to economic reform.

In addition to nurturing market economies, our new partnership seeks to advance free and open trade.

If we ask Latin America to strip away the protectionist barriers that shield their economies, we owe them something in return -- a commitment to free and open trade on our own part. We are deeply involved in the Uruguay Round to dismantle remaining tariff barriers -- and to remove non-tariff impediments to trade. We will also work to further expand the Caribbean Basin Initiative, and build on the beginning it has made in fostering free trade.

Finally, our common partnership must confront a common enemy: international drug traffickers.

Drugs threaten citizens and civil society throughout our hemisphere. Joining forces in the war on drugs is crucial. There is nothing gained by trying to lay blame and make recriminations. Drug abuse is a problem of both supply and demand -- and attacking both is the only way we can defeat the drug menace. [pause]

There is a place in this new partnership for you in the Council of the Americas. Thomas Jefferson said that "it is a kind of law of nature that every nation prospers by the prosperity of others." Your efforts contribute directly to the greater prosperity of all nations of the Americas.

The challenges I've spoken of today won't be easy. But all of us -- North and South, in government and in the private sector -- can work together to meet the challenges, and master them.

We've got work to do -- work that won't wait -- to ensure that all the Americas enjoy the peace, freedom and prosperity that we cherish.

Thank you.

REMARKS: COUNCIL OF THE AMERICAS
WASHINGTON, D.C.
MAY 2, 1989

THANK YOU, JIM, FOR YOUR KIND INTRODUCTION, AND FOR
TAKING THE TIME THIS MORNING TO ACCOMPANY ME.

- 2 -

I'M PLEASED TO FIND MYSELF IN SUCH PLEASANT AND
HIGH-POWERED COMPANY: MY GOOD FRIEND, CHAIRMAN OF THE
COUNCIL DAVID ROCKEFELLER; AMBASSADOR LANDAU AND LUDLOW
FLOWER; AND BERNARD ARONSON, MY CHOICE FOR THE
IMPORTANT INTER-AMERICAN AFFAIRS POST AT STATE.

LOOKING AROUND THE WORLD TODAY, IN THE DEVELOPING
COUNTRIES AND EVEN IN THE COMMUNIST BLOC, WE SEE THE
TRIUMPH OF TWO GREAT IDEAS: THE IDEA OF FREE
GOVERNMENT, AND THE IDEA OF FREE ENTERPRISE.

CERTAINLY, LATIN AMERICA AND THE CARIBBEAN ARE PROVING FERTILE GROUND FOR THESE IDEAS. DEMOCRACY -- A DECADE AGO THE EXCEPTION -- IS TODAY THE RULE. THE SYMBOL OF THIS NEW BREEZE IS THE BALLOT BOX. BY YEAR'S END, 14 NATIONAL ELECTIONS WILL HAVE BEEN HELD ACROSS THE AMERICAS.

AND LET'S REMEMBER WHAT IT MEANS TO VOTE WHEN DEMOCRACY ITSELF IS AT STAKE.

WE'RE NOT TALKING ABOUT PEOPLE WHO MAY STAY HOME FROM THE POLLS BECAUSE IT'S RAINING, OR RUSH HOUR TRAFFIC IS HEAVY. WE'RE TALKING ABOUT PEOPLE RISKING THEIR LIVES TO EXERCISE THEIR DEMOCRATIC RIGHT.

LISTEN TO THE WORDS OF A SALVADORAN MAN, ON THE EVE OF LAST MONTH'S PRESIDENTIAL ELECTIONS IN THAT COUNTRY -- ELECTIONS GUERILLA FORCES VOWED TO DISRUPT:

"OF COURSE I'M GOING TO VOTE, ALTHOUGH I HAVE TO ADMIT IT'S VERY SCARY.... HERE, GOING TO THE GROCERY STORE CAN BE DANGEROUS -- BUT YOU HAVE TO DO IT. AND YOU HAVE TO VOTE, TOO. WE JUST CAN'T ROLL OVER AND PLAY DEAD EACH TIME WE'RE THREATENED."

THAT'S THE VOICE OF DEMOCRACY SPEAKING -- AND IT'S THE VOICE OF COURAGE AND HOPE.

ECONOMICALLY, ALTHOUGH THERE IS CONCERN ABOUT INTERNATIONAL DEBT, THERE ARE ENCOURAGING SIGNS AS WELL. MEXICO HAS JOINED GATT, AND IS MOVING TOWARD A MORE OPEN AND INTERNATIONALLY-ORIENTED ECONOMY. IN COSTA RICA, BRAZIL AND VENEZUELA NEW VENTURES ARE CREATING EXPORT OPPORTUNITIES THAT PROMISE A BROADER ECONOMIC BASE. YOU IN THE BUSINESS COMMUNITY ARE AMONG THE PIONEERS AND PARTNERS IN THESE CHANGES.

YOU ARE CONTRIBUTING TO LATIN AMERICA'S INCREASED PRODUCTIVITY -- YOU ARE HELPING THE REGION TO FULFILL ITS POTENTIAL FOR PROGRESS.

THE HISTORIC SHIFT IN POLITICAL AND ECONOMIC THINKING NOW UNDERWAY IN LATIN AMERICA IS GOOD NEWS FOR US ALL.

OUR TASK IS CLEAR: TO MAKE THE MOST OF THE NEW OPPORTUNITIES OPEN TO US, WE MUST IMPROVE OUR WORKING PARTNERSHIPS IN THIS HEMISPHERE -- BETWEEN COUNTRIES NORTH AND SOUTH, BETWEEN GOVERNMENT, BUSINESS AND LABOR, AND, IN THE U.S., BETWEEN THE DIFFERENT BRANCHES OF THE FEDERAL GOVERNMENT. WE SHARE COMMON INTERESTS -- WE MUST WORK TOWARDS A COMMON AIM.

MY ADMINISTRATION WILL WORK TO BUILD A NEW PARTNERSHIP FOR THE AMERICAS -- A PARTNERSHIP BUILT ON MUTUAL RESPECT, AND MUTUAL RESPONSIBILITIES.

WE SEEK A PARTNERSHIP ROOTED IN A COMMON COMMITMENT TO DEMOCRATIC RULE.

THE BATTLE FOR DEMOCRACY IS FAR FROM OVER. THE INSTITUTIONS OF FREE GOVERNMENT ARE STILL FRAGILE, AND IN NEED OF SUPPORT.

OUR BATTLEFIELD IS THE BROAD MIDDLE GROUND OF DEMOCRACY AND POPULAR GOVERNMENT -- OUR FIGHT AGAINST THE ENEMIES OF FREEDOM ON THE EXTREME RIGHT AND THE EXTREME LEFT.

AS A RESULT OF THE RECENT BIPARTISAN ACCORD ON CENTRAL AMERICA, THE UNITED STATES IS SPEAKING WITH ONE VOICE ON A MATTER OF CRUCIAL IMPORTANCE TO PEACE IN CENTRAL AMERICA: BRINGING DEMOCRACY TO NICARAGUA, AND PEACE TO THE REGION.

LET ME TAKE THIS OPPORTUNITY TO MAKE SEVERAL OBSERVATIONS ON STEPS THAT ARE VITAL TO PEACE, SECURITY AND DEMOCRACY IN CENTRAL AMERICA:

FIRST, NICARAGUA'S EFFORT TO EXPORT VIOLENT REVOLUTION MUST STOP. WE CANNOT TOLERATE SANDINISTA SUPPORT -- WHICH CONTINUES TODAY -- FOR INSURGENCIES IN EL SALVADOR AND GUATEMALA, AND TERRORISM IN HONDURAS. PEACE IN THE REGION CANNOT CO-EXIST WITH ATTEMPTS TO UNDERMINE DEMOCRACY.

SECOND, WE CALL UPON THE SOVIET UNION TO END SOVIET BLOC SUPPORT FOR THE NICARAGUAN ASSAULT ON REGIONAL DEMOCRACY. THE UNITED STATES ENDED MILITARY AID TO THE NICARAGUAN RESISTANCE TWO YEARS AGO, YET SINCE THAT TIME, THE SOVIETS CONTINUE TO FUNNEL ABOUT HALF A BILLION DOLLARS WORTH OF MILITARY ASSISTANCE A YEAR TO THE SANDINISTA REGIME -- ABOUT THE SAME RATE AS BEFORE WE STOPPED OUR MILITARY AID TO THE CONTRAS.

FURTHERMORE, CUBA AND NICARAGUA, SUPPLIED BY \$7 BILLION IN SOVIET BLOC AID, HAVE STEPPED UP THE ARMS FLOW TO THE SALVADORAN GUERILLAS. THAT AID MUST STOP.

THE SOVIET UNION MUST UNDERSTAND THAT WE HOLD IT ACCOUNTABLE FOR THE CONSEQUENCES OF ITS INTERVENTION IN THIS HEMISPHERE -- AND FOR PROGRESS TOWARDS PEACE IN THE REGION AND DEMOCRACY IN NICARAGUA.

AS THE BIPARTISAN ACCORD MAKES CLEAR, CONTINUED SOVIET SUPPORT OF VIOLENCE AND SUBVERSION IN CENTRAL AMERICA IS IN DIRECT VIOLATION OF THE ESQUIPULAS AGREEMENT CONCLUDED BY THE NATIONS OF CENTRAL AMERICA A YEAR AND A HALF AGO.

FINALLY, WITHIN NICARAGUA, WE WANT TO SEE A PROMISE KEPT --THE PROMISE OF DEMOCRACY, WITHHELD BY THE SANDINISTA REGIME FOR NEARLY A DECADE. TO THIS END, THE U.S. WILL CONTINUE TO SUPPLY HUMANITARIAN AID TO THE NICARAGUAN RESISTANCE THROUGH THE ELECTIONS SCHEDULED IN NICARAGUA FOR FEBRUARY 1990. THE CONDUCT AND THE OUTCOME OF THOSE ELECTIONS WILL DEMONSTRATE TO NICARAGUA'S NEIGHBORS AND THE INTERNATIONAL COMMUNITY WHETHER IT MEANS TO DELIVER ON DEMOCRACY.

BUT THE SANDINISTAS' RECENT ACTIONS ARE OMINOUS. APRIL 25TH WAS THE BENCHMARK DATE FOR NICARAGUA TO HAVE IN PLACE ELECTORAL LAWS CONSISTENT WITH FREE AND FAIR ELECTIONS. INSTEAD, RESTRICTIVE NEW ELECTION AND PRESS LAWS HAVE BEEN PUSHED THROUGH THE SANDINISTA-CONTROLLED LEGISLATURE. THESE LAWS HAVE BEEN UNILATERALLY IMPOSED AND THE PROPOSALS OF NICARAGUA'S OPPOSITION PARTIES HAVE BEEN IGNORED. THE RESULT IS A STACKED DECK AGAINST THE OPPOSITION AND STACKED RULES OF THE GAME.

THE ELECTION LAW MANDATES UNILATERALLY THAT HALF OF ALL FOREIGN POLITICAL CONTRIBUTIONS GO TO THE SUPREME ELECTORAL COUNCIL, WHICH REMAINS UNDER SANDINISTA CONTROL -- AND IGNORES PROPOSALS PUT FORWARD BY THE OPPOSITION TO PROVIDE FOR UNLIMITED FREEDOM OF ACCESS FOR INTERNATIONAL ELECTION OBSERVERS. IN EFFECT THAT'S A STACKED DECK AGAINST FREEDOM.

THE NEW LAW GOVERNING PRESS CONDUCT GIVES EXCESSIVE CONTROLS TO THE INTERIOR MINISTRY TO POLICE VIOLATIONS AGAINST "NATIONAL INTEGRITY," AND CONTINUES THE PROHIBITION OF PRIVATE-SECTOR OWNERSHIP OF TELEVISION STATIONS.

IF THERE IS TO BE PEACE IN NICARAGUA, THE SANDINISTA REGIME MUST WORK WITH THE OPPOSITION -- INCLUDING THE NICARAGUAN RESISTANCE -- TO PUT IN PLACE ELECTION AND PRESS LAWS THAT ARE TRULY FREE AND FAIR.

THAT MEANS TO HAVE FREE AND FAIR ELECTIONS WITH OUTSIDE OBSERVERS GIVEN UNFETTERED ACCESS TO ALL ELECTION PLACES AND TO ALL PROCEEDINGS. IT MEANS A SECRET BALLOT ON ELECTION DAY, THE FREEDOM TO CAMPAIGN, TO ORGANIZE, HOLD RALLIES -- AND TO POLL PUBLIC OPINION, TO OPERATE INDEPENDENT RADIO AND TELEVISION STATIONS.

IT MEANS THE ABSENCE OF INTIMIDATION EITHER FROM A POLITICIZED SANDINISTA MILITARY OR POLICE, OR FROM THE NEIGHBORHOOD BLOCK COMMITTEES THAT CONTROL PEOPLE'S RATION CARDS. IT MEANS AN END TO THE ARRESTS AND BULLYING OF OPPOSITION LEADERS. IT MEANS FREEING ALL POLITICAL PRISONERS JAILED UNDER SANDINISTA RULE, NOT JUST FORMER SOMOZA SOLDIERS.

IF THE SANDINISTAS FAIL THIS TEST, IT WILL BE A TRAGIC SETBACK -- AND A DANGEROUS ONE. THE CONSOLATION OF TYRANNY WILL NOT BE PEACE; IT WILL BE A CRISIS WAITING TO HAPPEN.

I WANT TO MENTION SEVERAL OTHER LATIN NATIONS WHERE ELECTIONS CAN SIGNAL POSITIVE CHANGE:

IN EL SALVADOR, LAST MONTH'S FREE AND FAIR ELECTIONS PROVED ANOTHER RINGING AFFIRMATION OF THAT NATION'S COMMITMENT TO DEMOCRACY.

WE EXPECT ARENA TO EXERCISE ITS POLITICAL POWER RESPONSIBLY. I HAVE CONVEYED TO PRESIDENT-ELECT CRISTIANI OUR COMMITMENT TO HUMAN RIGHTS IN EL SALVADOR. HE SHARES MY CONCERNS; HE DESERVES A CHANCE; AND HE HAS OUR SUPPORT.

IN PARAGUAY, THE ONLY COUNTRY WHOSE DICTATOR HAD HELD POWER LONGER THAN FIDEL CASTRO, ELECTIONS HAVE JUST TAKEN PLACE -- THE FIRST HOPEFUL SIGN THAT PARAGUAY IS ON ITS WAY TO JOINING THE DEMOCRATIC MAINSTREAM. THAT DEMOCRATIC OPENING MUST CONTINUE.

IN PANAMA, HOWEVER, THE FORECAST FOR FREEDOM IS LESS CLEAR.

A FREE AND FAIR VOTE IN THE ELECTIONS SCHEDULED FOR THIS SUNDAY WOULD ENABLE PANAMA TO TAKE A SIGNIFICANT STEP TOWARDS ENDING THE INTERNATIONAL ISOLATION AND INTERNAL ECONOMIC CRISIS BROUGHT ON BY THE NORIEGA REGIME. AND IN SPITE OF INTIMIDATION FROM THE AUTHORITIES, PANAMA'S OPPOSITION PARTIES HAVE -- WITH GREAT COURAGE -- TAKEN THEIR CAMPAIGN TO THE PANAMANIAN PEOPLE. THE NORIEGA REGIME'S CANDIDATES ARE TRAILING IN POLLS BY A MARGIN OF 2 TO 1.

UNFORTUNATELY, IT IS EVIDENT THAT THE REGIME IS READY TO RESORT TO MASSIVE ELECTION FRAUD IN ORDER TO REMAIN IN POWER. THE NORIEGA REGIME CONTINUES TO THREATEN AND INTIMIDATE PANAMANIAN WHO BELIEVE IN DEMOCRACY. IT IS ALSO ATTEMPTING TO LIMIT THE PRESENCE AND FREEDOM OF ACTION OF INTERNATIONAL OBSERVERS, AND TO PREVENT JOURNALISTS FROM REPORTING ON THE ELECTION PROCESS IN PANAMA.

LET ME BE CLEAR: THE UNITED STATES WILL NOT RECOGNIZE THE RESULTS OF A FRAUDULENT ELECTION ENGINEERED TO KEEP NORIEGA IN POWER.

ALL NATIONS THAT VALUE DEMOCRACY -- THAT UNDERSTAND FREE AND FAIR ELECTIONS ARE THE VERY HEART OF THEIR DEMOCRATIC SYSTEM -- SHOULD SPEAK OUT AGAINST ELECTION FRAUD IN PANAMA.

THAT MEANS THE DEMOCRACIES OF EUROPE, AS WELL AS NATIONS IN THIS HEMISPHERE STRUGGLING TO PRESERVE THE DEMOCRATIC SYSTEMS THEY'VE FOUGHT SO HARD TO PUT IN PLACE.

IT'S TIME FOR THE PLAIN TRUTH: THE DAY OF THE DICTATOR IS OVER. THE PEOPLE'S RIGHT TO DEMOCRACY MUST NOT BE DENIED. [PAUSE]

A COMMITMENT TO DEMOCRACY IS ONLY ONE ELEMENT IN THE NEW PARTNERSHIP I ENVISION FOR THE NATIONS OF THE AMERICAS. THIS NEW PARTNERSHIP MUST ALSO AIM AT ENSURING THAT THE MARKET ECONOMIES SURVIVE, PROSPER AND PREVAIL.

THE PRINCIPALS OF ECONOMIC FREEDOM HAVE NOT BEEN APPLIED AS FULLY AS THE PRINCIPAL OF DEMOCRACY.

WHILE THE POVERTY OF STATISM AND PROTECTIONISM IS MORE EVIDENT THAN EVER, STATIST ECONOMIES REMAIN IN PLACE, STIFLING GROWTH, IN MANY LATIN NATIONS.

THAT IS WHY THE U.S. HAS MADE A NEW INITIATIVE TO REDUCE THE WEIGHT OF DEBT, AS LATIN GOVERNMENTS AND LEADERS TAKE THE DIFFICULT STEPS TO RESTRUCTURE THEIR ECONOMIES.

ECONOMIC GROWTH REQUIRES POLICIES THAT CREATE A CLIMATE FOR INVESTMENT -- ONE THAT WILL ATTRACT NEW CAPITAL, AND REVERSE THE FLIGHT OF CAPITAL OUT OF THE REGION.

WE WELCOME THE BROAD INTERNATIONAL SUPPORT EXPRESSED FOR OUR IDEAS TO STRENGTHEN THE DEBT STRATEGY.

WE URGE THE PARTIES INVOLVED -- THE INTERNATIONAL FINANCIAL INSTITUTIONS, DEBTOR COUNTRIES, AND COMMERCIAL BANKS -- TO MAKE A SUSTAINED EFFORT TO MOVE THIS PROCESS FORWARD. WE RECOGNIZE THE COMPETING CLAIMS DEBTOR GOVERNMENTS MUST TRY TO SATISFY AS THEY WORK TO ADVANCE ECONOMIC REFORM, SERVICE THEIR DEBT, AND RESPOND TO THE NEEDS OF THEIR CITIZENS.

HOWEVER, WE ALSO UNDERSTAND THAT PROGRESS CAN BE AN INCREMENTAL PROCESS -- CASE-BY-CASE, STEP-BY-STEP -- PROVIDED THERE IS A CLEAR COMMITMENT TO ECONOMIC REFORM.

FINALLY, OUR COMMON PARTNERSHIP MUST CONFRONT A COMMON ENEMY: INTERNATIONAL DRUG TRAFFICKERS.

DRUGS THREATEN CITIZENS AND CIVIL SOCIETY THROUGHOUT OUR HEMISPHERE. JOINING FORCES IN THE WAR ON DRUGS IS CRUCIAL.

THERE IS NOTHING GAINED BY TRYING TO LAY BLAME AND MAKE RECRIMINATIONS. DRUG ABUSE IS A PROBLEM OF BOTH SUPPLY AND DEMAND -- AND ATTACKING BOTH IS THE ONLY WAY WE CAN DEFEAT THE DRUG MENACE. [PAUSE]

THERE IS A PLACE IN THIS NEW PARTNERSHIP FOR YOU IN THE COUNCIL OF THE AMERICAS. THOMAS PAINE SAID THAT "THE PROSPERITY OF ANY COMMERCIAL NATION IS REGULATED BY THE PROSPERITY OF THE REST."

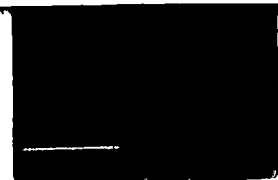
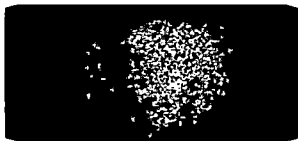
YOUR EFFORTS CONTRIBUTE DIRECTLY TO THE GREATER PROSPERITY OF ALL THE NATIONS OF THE AMERICAS.

THE CHALLENGES I'VE SPOKEN OF TODAY WON'T BE EASY. BUT ALL OF US -- NORTH AND SOUTH, IN GOVERNMENT AND IN THE PRIVATE SECTOR -- CAN WORK TOGETHER TO MEET THE CHALLENGES, AND MASTER THEM.

**WE'VE GOT WORK TO DO -- WORK THAT WON'T WAIT -- TO
ENSURE THAT ALL THE AMERICAS ENJOY THE PEACE, FREEDOM
AND PROSPERITY THAT WE CHERISH.**

THANK YOU.

#



THE WHITE HOUSE
WASHINGTON

1000 APR 29 11:00 AM '89

April 28, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: DANIEL MCGROARTY

SUBJECT: COUNCIL OF THE AMERICAS SPEECH

THE PRESIDENT HAS SEEN
4/30/89

I. SUMMARY

The attached draft has been prepared for your address to the Council of the Americas association, Tuesday morning, May 2, 1989, at the Department of State. The audience will be approximately 380 business executives with business interests in Latin America. Council of the Americas is chaired by David Rockefeller.

II. DISCUSSION

This speech provides an opportunity to speak about democratic developments in Latin America, with special emphasis on the changes we seek in Nicaragua. The speech also focuses on debt relief and economic reform, issues that should be of particular interest to this audience.

McGroarty/Dooley
April 28, 1989
9:35 p.m.
Draft 3

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
WASHINGTON, D.C.
MAY 2, 1989

[Introductory remarks, acknowledgements....]

Looking around the world today, in the developing world and even in the communist bloc, we see the triumph of two great ideas: the idea of free government, and the idea of free enterprise.

Certainly, Latin America and the Caribbean are proving fertile ground for these ideas. Democracy -- a decade ago the exception -- is today the rule. The symbol of this new breeze is the ballot box. By year's end, 14 national elections will have been held across the Americas.

And let's remember what it means to vote when democracy itself is at stake. We're not talking about people who may stay home from the polls because it's raining, or rush hour traffic is heavy. We're talking about people risking their lives to exercise their democratic right.

Listen to the words of a Salvadoran man, on the eve of last month's presidential elections in that country -- elections guerilla forces vowed to disrupt:

"Of course I'm going to vote, although I have to admit it's very scary.... Here, going to the grocery store can be dangerous

-- but you have to do it. And you have to vote, too. We just can't roll over and play dead each time we're threatened."

That's the voice of democracy speaking -- and it's the voice of courage and hope.

Economically, although there is concern about international debt, there are encouraging signs as well. Mexico has joined GATT, and is moving toward a more open and internationally-oriented economy. In Costa Rica, Brazil and Venezuela new ventures are creating export opportunities that promise a broader economic base. You in the business community are among the pioneers and partners in these changes. You are contributing to Latin America's increased productivity -- you are helping the region to fulfill its potential for progress.

The historic shift in political and economic thinking now underway in Latin America is good news for us all. Our task is clear: to make the most of the new opportunities open to us, we must improve our working partnerships in this hemisphere -- between countries north and south, between government, business and labor, and, in the U.S., between the different branches of the federal government. We share common interests -- we must work towards a common aim.

My Administration will work to build a new partnership for the Americas -- a partnership built on mutual respect, and mutual responsibilities.

We seek a partnership rooted in a common commitment to democratic rule.

The battle for democracy is far from over. The institutions of free government are still fragile, and in need of support. Our battlefield is the broad middle ground of democracy and popular government -- our fight against the enemies of freedom on the extreme right and the extreme left.

As a result of the recent Bipartisan Accord on Central America, the United States is speaking with one voice on a matter of crucial importance to peace in Central America: bringing democracy to Nicaragua, and peace to the region.

Let me take this opportunity to make several observations on steps that are vital to peace, security and democracy in Central America:

First, Nicaragua's effort to export violent revolution must stop. We cannot tolerate Sandinista support -- which continues today -- for insurgencies in El Salvador and Guatemala, and terrorism in Honduras. Peace in the region cannot co-exist with attempts to undermine democracy.

Second, we call upon the Soviet Union to end Soviet bloc support for the Nicaraguan assault on regional democracy. The United States ended military aid to the Nicaraguan Resistance two years ago, yet since that time, the Soviets continue to funnel about half a billion dollars worth of military assistance a year to the Sandinista regime -- about the same rate as before we stopped our military aid to the Contras. Furthermore, Cuba and Nicaragua, supplied by \$7 billion in Soviet bloc aid, have

stepped up arms flow to the Salvadoran guerillas. That aid must stop.

The Soviet Union must understand that we hold it accountable for the consequences of its intervention in this hemisphere -- and for progress towards peace in the region and democracy in Nicaragua. As the Bipartisan Accord makes clear, continued Soviet support of violence and subversion in Central America is in direct violation of the Esquipulas Agreement concluded by the nations of Central America a year and a half ago.

Finally, within Nicaragua, we want to see a promise kept -- the promise of democracy, withheld by the Sandinista regime for nearly a decade. To this end, the U.S. will continue to supply humanitarian aid to the Nicaraguan resistance through the elections scheduled in Nicaragua for February 1990. The conduct and the outcome of those elections will demonstrate to Nicaragua's neighbors and the international community whether it means to deliver on democracy.

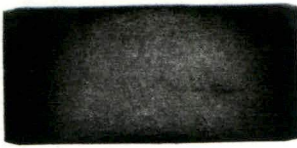
But the Sandinistas' recent actions are ominous. April 25th was the benchmark date for Nicaragua to have in place electoral laws consistent with free and fair elections. Instead, restrictive new election and press laws have been pushed through the Sandinista-controlled legislature. These laws have been unilaterally imposed and the proposals of Nicaragua's opposition parties have been ignored. The result is a stacked deck against the opposition and stacked rules of the game.

The election law mandates unilaterally that half of all foreign political contributions go to the Supreme Electoral Council, which remains under Sandinista control -- and ignores proposals put forward by the opposition to provide for unlimited freedom of access for international election observers. In effect that's a stacked deck against freedom. The new law governing press conduct gives excessive controls to the Interior Ministry to police violations against "national integrity," and continues the prohibition of private-sector ownership of television stations.

If there is to be peace in Nicaragua, the Sandinista regime must work with the opposition -- including the Nicaraguan Resistance -- to put in place election and press laws that are truly free and fair.

That means to have free and fair elections. It means a secret ballot on election day, the freedom to campaign, to organize, hold rallies -- to use the media and poll public opinion, to operate independent radio and television stations. It means the absence of intimidation either from a politicized Sandinista military or police, or from the neighborhood block committees that control people's ration cards. It means an end to the arrests and bullying of opposition leaders. It means freeing all political prisoners jailed under Sandinista rule, not just former Somoza soldiers.

with outside observers
access given
unfettered
to all
election
places and
to all the
proceedings

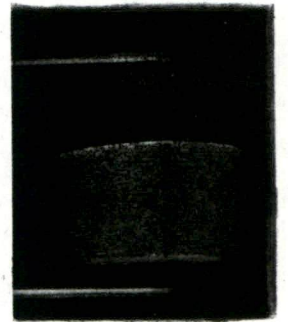


THE WHITE HOUSE
WASHINGTON

mention the fact that we plan not
only to give him a chance but to
support him. ✓

gb

(stapled at 3rd full (A on p. 6))



If the Sandinistas fail this test, it will be a tragic setback -- and a dangerous one. The consolation of tyranny will not be peace; it will be a crisis waiting to happen.

I want to mention several other Latin nations where elections can signal positive change:

In El Salvador, last month's elections proved another ringing affirmation of that nation's commitment to democracy. We expect ARENA to exercise its political power responsibly. I have conveyed to President-Elect Cristiani our commitment to human rights in El Salvador. He shares my concerns, and he deserves a chance. *our support*

Mention our support for Clinton

In Paraguay, the only country whose dictator had held power longer than Fidel Castro, elections have just taken place -- the first hopeful sign that Paraguay is on its way to joining the democratic mainstream. That Democratic opening must continue.

In Panama, however, the forecast for freedom is less clear. A free and fair vote in the elections scheduled for this Sunday would enable Panama to take a significant step towards ending the international isolation and internal economic crisis brought on by the Noriega regime. And in spite of intimidation from the authorities, Panama's opposition parties have -- with great courage -- taken their campaign to the Panamanian people. The Noriega regime's candidates are trailing in polls by a margin of 2 to 1.

Unfortunately, it is evident that the regime is ready to resort to massive election fraud in order to remain in power.



THE WHITE HOUSE
WASHINGTON

I would urge all countries that value
democracy and that are committed
to free and fair elections to
speak out against election frau
in Panama...This means the
democracies in Europe as well as
those struggling to keep their
democracies here in the
Western ZHemisphere.

language can be bettt
but need to get all involved.

(*Stapled after 2^o full comp. 7*)



The Noriega regime continues to threaten and intimidate Panamanians who believe in democracy. It is also attempting to limit the presence and freedom of action of international observers, and to prevent journalists from reporting on the election process in Panama.

Let me be clear: the United States will not recognize the results of a fraudulent election engineered to keep Noriega in power. *Nor should other democracies*

on the hemisphere or in Europe. It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied. [pause]

Our new partnership must also aim at ensuring that the market economies survive, prosper and prevail.

The principals of economic freedom have not been applied as fully as the principal of democracy. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth, in many Latin nations.

That is why the U.S. has made a new initiative to reduce the weight of debt, as Latin governments and leaders take the difficult steps to restructure their economies.

Economic growth requires policies that create a climate for investment -- one that will attract new capital, and reverse the flight of capital out of the region.

We welcome the broad international support expressed for our ideas to strengthen the debt strategy. We urge the parties involved -- the international financial institutions, debtor

countries, and commercial banks -- to make a sustained effort to move this process forward. We recognize the competing claims debtor governments must try to satisfy as they work to advance economic reform, service their debt, and respond to the needs of their citizens. However, we also understand that progress can be an incremental process -- case-by-case, step-by-step -- provided there is a clear commitment to economic reform.

Finally, our common partnership must confront a common enemy: international drug traffickers.

Drugs threaten citizens and civil society throughout our hemisphere. Joining forces in the war on drugs is crucial. There is nothing gained by trying to lay blame and make recriminations. Drug abuse is a problem of both supply and demand -- and attacking both is the only way we can defeat the drug menace. [pause]

There is a place in this new partnership for you in the Council of the Americas. Thomas Paine said that "the prosperity of any commercial nation is regulated by the prosperity of the rest." Your efforts contribute directly to the greater prosperity of all the nations of the Americas.

The challenges I've spoken of today won't be easy. But all of us -- North and South, in government and in the private sector -- can work together to meet the challenges, and master them.

We've got work to do -- work that won't wait -- to ensure that all the Americas enjoy the peace, freedom and prosperity that we cherish.

Thank you.

next p. 7:

All nations that value democracy --
that media find ~~that~~ free and fair
elections are the very heart of
their democratic system -- should

Speak out against election fraud
in Panama. That memo

the democracies of Europe, as well
as nations in this hemisphere

struggling ~~hard~~ to pressure the
democratic systems they've ~~put~~ ^{fought} so hard to
put in place.

meat
B:

Bridge, page 7:

A commitment to democracy
is only one element in the new
partnership & mission for
the nation ~~of~~ of the
Americas.

McGroarty/Dooley
April 28, 1989
9:35 p.m.
Draft 3

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Let me take this opportunity to make several observations on steps that are vital to peace, security and democracy in Central America:

First, Nicaragua's effort to export violent revolution must stop. We cannot tolerate Sandinista support -- which continues today -- for insurgencies in El Salvador and Guatemala, and terrorism in Honduras. Peace in the region cannot co-exist with attempts to undermine democracy.

Second, we call upon the Soviet Union to end Soviet bloc support for the Nicaraguan assault on regional democracy. The United States ended military aid to the Nicaraguan Resistance two years ago, yet since that time, the Soviets continue to funnel about half a billion dollars worth of military assistance a year to the Sandinista regime -- about the same rate as before we stopped our military aid to the Contras. Furthermore, Cuba and Nicaragua, supplied by \$7 billion in Soviet bloc aid, have

stepped up arms flow to the Salvadoran guerillas. That aid must stop.

The Soviet Union must understand that we hold it accountable for the consequences of its intervention in this hemisphere -- and for progress towards peace in the region and democracy in Nicaragua. As the Bipartisan Accord makes clear, continued Soviet support of violence and subversion in Central America is in direct violation of the Esquipulas Agreement concluded by the nations of Central America a year and a half ago.

Finally, within Nicaragua, we want to see a promise kept -- the promise of democracy, withheld by the Sandinista regime for nearly a decade. To this end, the U.S. will continue to supply humanitarian aid to the Nicaraguan resistance through the elections scheduled in Nicaragua for February 1990. The conduct and the outcome of those elections will demonstrate to Nicaragua's neighbors and the international community whether it means to deliver on democracy.

But the Sandinistas' recent actions are ominous. April 25th was the benchmark date for Nicaragua to have in place electoral laws consistent with free and fair elections. Instead, restrictive new election and press laws have been pushed through the Sandinista-controlled legislature. These laws have been unilaterally imposed and the proposals of Nicaragua's opposition parties have been ignored. The result is a stacked deck against the opposition and stacked rules of the game.

The election law mandates unilaterally that half of all foreign political contributions go to the Supreme Electoral Council, which remains under Sandinista control -- and ignores proposals put forward by the opposition to provide for unlimited freedom of access for international election observers. In effect that's a stacked deck against freedom. The new law governing press conduct gives excessive controls to the Interior Ministry to police violations against "national integrity," and continues the prohibition of private-sector ownership of television stations.

If there is to be peace in Nicaragua, the Sandinista regime must work with the opposition -- including the Nicaraguan Resistance -- to put in place election and press laws that are truly free and fair.

That means to have free and fair elections. It means a secret ballot on election day, the freedom to campaign, to organize, hold rallies -- ~~to use the media~~ and ^{to} poll public opinion, to operate independent radio and television stations. It means the absence of intimidation either from a politicized Sandinista military or police, or from the neighborhood block committees that control people's ration cards. It means an end to the arrests and bullying of opposition leaders. It means freeing all political prisoners jailed under Sandinista rule, not just former Somoza soldiers.

WITH OUTSIDE OBSERVERS given unfettered access to all election places and to all proceedings.

If the Sandinistas fail this test, it will be a tragic setback -- and a dangerous one. The consolation of tyranny will not be peace; it will be a crisis waiting to happen.

I want to mention several other Latin nations where elections can signal positive change:

In El Salvador, last month's ^{Free and fair} elections proved another ringing affirmation of that nation's commitment to democracy. We expect ARENA to exercise its political power responsibly. I have conveyed to President-Elect Cristiani our commitment to human rights in El Salvador. He shares my concerns; ~~and he's deserves~~ ^{he has our support} a chance; ^{and he has our support.}

In Paraguay, the only country whose dictator had held power longer than Fidel Castro, elections have just taken place -- the first hopeful sign that Paraguay is on its way to joining the democratic mainstream. That Democratic opening must continue.

In Panama, however, the forecast for freedom is less clear. A free and fair vote in the elections scheduled for this Sunday would enable Panama to take a significant step towards ending the international isolation and internal economic crisis brought on by the Noriega regime. And in spite of intimidation from the authorities, Panama's opposition parties have -- with great courage -- taken their campaign to the Panamanian people. The Noriega regime's candidates are trailing in polls by a margin of 2 to 1.

Unfortunately, it is evident that the regime is ready to resort to massive election fraud in order to remain in power.

The Noriega regime continues to threaten and intimidate Panamanians who believe in democracy. It is also attempting to limit the presence and freedom of ^{access} ~~action~~ of international observers, and to prevent journalists from reporting on the election process in Panama. ✓

Let me be clear: the United States will not recognize the results of a fraudulent election engineered to keep Noriega in power.

It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied. [pause]

bridge *insert* *By this [start] the* ~~new partnership~~ must also aim at ensuring that the market economies survive, prosper and prevail.

The principals of economic freedom have not been applied as fully as the principal of democracy. While the poverty of statism and protectionism is more evident than ever, statist economies remain in place, stifling growth, in many Latin nations.

That is why the U.S. has made a new initiative to reduce the weight of debt, as Latin governments and leaders take the difficult steps to restructure their economies.

Economic growth requires policies that create a climate for investment -- one that will attract new capital, and reverse the flight of capital out of the region.

We welcome the broad international support expressed for our ideas to strengthen the debt strategy. We urge the parties involved -- the international financial institutions, debtor

countries, and commercial banks -- to make a sustained effort to move this process forward. We recognize the competing claims debtor governments must try to satisfy as they work to advance economic reform, service their debt, and respond to the needs of their citizens. However, we also understand that progress can be an incremental process -- case-by-case, step-by-step -- provided there is a clear commitment to economic reform.

Finally, our common partnership must confront a common enemy: international drug traffickers.

Drugs threaten citizens and civil society throughout our hemisphere. Joining forces in the war on drugs is crucial. There is nothing gained by trying to lay blame and make recriminations. Drug abuse is a problem of both supply and demand -- and attacking both is the only way we can defeat the drug menace. [pause]

There is a place in this new partnership for you in the Council of the Americas. Thomas Paine said that "the prosperity of any commercial nation is regulated by the prosperity of the rest." Your efforts contribute directly to the greater prosperity of all the nations of the Americas.

The challenges I've spoken of today won't be easy. But all of us -- North and South, in government and in the private sector -- can work together to meet the challenges, and master them.

We've got work to do -- work that won't wait -- to ensure that all the Americas enjoy the peace, freedom and prosperity that we cherish.

Thank you.

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Let me be clear: the United States will not recognize the results of a fraudulent election engineered to keep Noriega in power.

All nations that value democracy -- that understand free and fair elections are the very heart of their democratic system -- should speak out against election fraud in Panama. That means the democracies of Europe, as well as nations in this hemisphere struggling to preserve the democratic systems they've fought so hard to put in place.

It's time for the plain truth: The day of the dictator is over. The people's right to democracy must not be denied. [pause]

A commitment to democracy is only one element in the new partnership I envision for the nations of the Americas. This new partnership must also aim at ensuring that the market economies survive, prosper and prevail.

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