

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech Files Draft Files
Subseries: Chronological Files, 1989-1993

OA/ID Number: 13532
Folder ID Number: 13532-004

Folder Title:
Council of the Americas 5/22/90 [OA 5374]

Stack:	Row:	Section:	Shelf:	Position:
G	26	16	3	3

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 22, 1990

REMARKS BY THE PRESIDENT
TO THE
COUNCIL OF THE AMERICAS

The State Department
Washington, D.C.

11:30 A.M. EDT

THE PRESIDENT: Thank you for that welcome. And thank you, Secretary Baker. Jim Baker's just back from a very interesting and highly significant trip to the Soviet Union which I'm sure you've all read about. From my standpoint, it went very well indeed. I think he's done a lot of clearing the way for what I hope will be a highly successful meeting with Mr. Gorbachev not so many days away from now. I want to thank him. Normally, he's not awake this close to his jet lag recovery -- it takes him a little longer. But he was looking forward to being here. But he had a tough and grueling trip and it's still, I'm sure, on him. But I thank you very much for being here today.

To David Rockefeller, my friend and the Chairman of the Council of the Americas, I want to thank you. David came to see me a while back and told me of the emphasis that he felt should properly be placed on Central America, South America, the Americas. Something he's stood for for a long time. But I will address myself to some of those concerns in a minute.

But I want to thank him, I want to thank Ambassador Landau, and Kim Flower, and of course, pay my respects to my trusted right arm in the White House in foreign affairs, General Brent Scowcroft, who is head of the National Security Council. To Bernie Aronson for whom I have great respect and with whom I personally work very closely on a lot of these matters -- he, Jim and I, and Brent -- matters affecting our common interests here today.

I am pleased once again to speak to this most influential group. Pioneers, if you will, in the private sector -- private sector effort to expand trade investment between the United States and Latin America. I'm delighted to address this gathering after what has been a remarkable year of change.

I told a group out in Oregon yesterday, I can't think of a more fascinating time in the recent history of our country -- certainly in the Nuclear Age -- to be President of the United States.

Over the past 12 months, it sometimes seemed that the eyes of the world rest solely on Eastern Europe, on the miraculous transformation that's taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration, certainly with awe. But also, I know, with an unmistakable sense of anxiety -- and it was this that David was talking to me about -- concern that our active involvement in Europe will mean a decline in the United States' interest in Latin America.

I'm here today to assure you -- just as I've assured the many Latin American leaders with whom I've met -- that the events of the past year have increased our interests 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.

MORE

Think about the tremendous gains made for freedom just 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. And 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, I will be meeting with the new leader of Haiti, where we're sure to discuss ways that we can support democracy in Haiti.

In all of Latin America, only Cuba remains. Castro's island, isolated, totally out of step with the democratic tide. But today we're celebrating the anniversary of Cuban Independence. And let me say with certainty that even in Cuba, the dream of democracy can only be pushed back a little -- only 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've been working with Jim and Brent and others to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. It was a good meeting, incidentally.

Here in Washington, I've hosted Presidents Perez, Carlos Andres Perez; Paz Zamora; Cristiani and Endara; Collor de Mello; Calderon and Callejas; and Prime Minister Manley as well. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that the U.S. is engaged as never before in the future of this hemisphere.

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the intellectual revolution now sweeping Latin America -- a movement away from stale, statist doctrines. Away from dictatorships of the right and the left. Toward democracy -- free government -- free enterprise. Toward the true political and economic empowerment of the people themselves.

That means encouraging, for the first time in many cases, genuine free market reform. Even in the countries that claim 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 individual and enterprising individuals doing business without the consent of the state.

MORE

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. And as they succeed -- and as they reap the rewards that will follow what can be a -- will follow this -- I would say what will certainly be a painful transition -- these nations will bring others along 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 '70s, Latin America's share of all U.S. trade dropped from 10 percent of all U.S. exports, down to 7 percent. And yet -- last year, for the first time ever, two-way trade between the United States and Latin America topped \$100 billion dollars. As that trade continues to grow, so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide just a few statistics to drive home this point. Last year, the Colombian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

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'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela, 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.

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's something beyond the bottom line. Something that can't be measured simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- that role contributes not just to economic growth -- but to the growth of democracy itself.

Now, there is, of course, an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why, frankly, I've 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 Chamorro, Violeta Chamorro -- just 3 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 on April 5th. April 5th. It's now May 22nd, and the funds for Panama and Nicaragua have been reduced by \$80 million, even though \$1.4 billion in extra spending has been added to this legislation. Finally, it appears the Congress may act this week on this vital measure.

For the people of Nicaragua and Panama, meanwhile, democracy hangs in the balance.

So let me again say to the Congress: The fate of freedom rests in your hands. Do the work of democracy -- and pass this emergency aid package now.

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. 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'll 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 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 10th, 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's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come.

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and the prosperity we enjoy. Please, keep up more now than ever, your important work in guaranteeing that democracy succeeds in this precious hemisphere of ours. Thank you for what you're doing and God bless the United States of America. Thank you all very much.

END

11:47 A.M. EDT

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 22, 1990

REMARKS BY THE PRESIDENT
TO THE
COUNCIL OF THE AMERICAS

The State Department
Washington, D.C.

11:30 A.M. EDT

THE PRESIDENT: Thank you for that welcome. And thank you, Secretary Baker. Jim Baker's just back from a very interesting and highly significant trip to the Soviet Union which I'm sure you've all read about. From my standpoint, it went very well indeed. I think he's done a lot of clearing the way for what I hope will be a highly successful meeting with Mr. Gorbachev not so many days away from now. I want to thank him. Normally, he's not awake this close to his jet lag recovery -- it takes him a little longer. But he was looking forward to being here. But he had a tough and grueling trip and it's still, I'm sure, on him. But I thank you very much for being here today.

To David Rockefeller, my friend and the Chairman of the Council of the Americas, I want to thank you. David came to see me a while back and told me of the emphasis that he felt should properly be placed on Central America, South America, the Americas. Something he's stood for for a long time. But I will address myself to some of those concerns in a minute.

But I want to thank him, I want to thank Ambassador Landau, and Kim Flower, and of course, pay my respects to my trusted right arm in the White House in foreign affairs, General Brent Scowcroft, who is head of the National Security Council. To Bernie Aronson for whom I have great respect and with whom I personally work very closely on a lot of these matters -- he, Jim and I, and Brent -- matters affecting our common interests here today.

I am pleased once again to speak to this most influential group. Pioneers, if you will, in the private sector -- private sector effort to expand trade investment between the United States and Latin America. I'm delighted to address this gathering after what has been a remarkable year of change.

I told a group out in Oregon yesterday, I can't think of a more fascinating time in the recent history of our country -- certainly in the Nuclear Age -- to be President of the United States.

Over the past 12 months, it sometimes seemed that the eyes of the world rest solely on Eastern Europe, on the miraculous transformation that's taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration, certainly with awe. But also, I know, with an unmistakable sense of anxiety -- and it was this that David was talking to me about -- concern that our active involvement in Europe will mean a decline in the United States' interest in Latin America.

I'm here today to assure you -- just as I've assured the many Latin American leaders with whom I've met -- that the events of the past year have increased our interests 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.

MORE

Think about the tremendous gains made for freedom just 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. And 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, I will be meeting with the new leader of Haiti, where we're sure to discuss ways that we can support democracy in Haiti.

In all of Latin America, only Cuba remains. Castro's island, isolated, totally out of step with the democratic tide. But today we're celebrating the anniversary of Cuban Independence. And let me say with certainty that even in Cuba, the dream of democracy can only be pushed back a little -- only 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've been working with Jim and Brent and others to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. It was a good meeting, incidentally.

Here in Washington, I've hosted Presidents Perez, Carlos Andres Perez; Paz Zamora; Cristiani and Endara; Collor de Mello; Calderon and Callejas; and Prime Minister Manley as well. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that the U.S. is engaged as never before in the future of this hemisphere.

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the intellectual revolution now sweeping Latin America -- a movement away from stale, statist doctrines. Away from dictatorships of the right and the left. Toward democracy -- free government -- free enterprise. Toward the true political and economic empowerment of the people themselves.

That means encouraging, for the first time in many cases, genuine free market reform. Even in the countries that claim 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 individual and enterprising individuals doing business without the consent of the state.

MORE

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. And as they succeed -- and as they reap the rewards that will follow what can be a -- will follow this -- I would say what will certainly be a painful transition -- these nations will bring others along 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 '70s, Latin America's share of all U.S. trade dropped from 10 percent of all U.S. exports, down to 7 percent. And yet -- last year, for the first time ever, two-way trade between the United States and Latin America topped \$100 billion dollars. As that trade continues to grow, so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide just a few statistics to drive home this point. Last year, the Colombian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

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'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela, 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.

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's something beyond the bottom line. Something that can't be measured simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- that role contributes not just to economic growth -- but to the growth of democracy itself.

Now, there is, of course, an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why, frankly, I've 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 Chamorro, Violeta Chamorro -- just 3 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

MORE

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 on April 5th. April 5th. It's now May 22nd, and the funds for Panama and Nicaragua have been reduced by \$80 million, even though \$1.4 billion in extra spending has been added to this legislation. Finally, it appears the Congress may act this week on this vital measure.

For the people of Nicaragua and Panama, meanwhile, democracy hangs in the balance.

So let me again say to the Congress: The fate of freedom rests in your hands. Do the work of democracy -- and pass this emergency aid package now.

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. 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'll 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 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 10th, 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's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come.

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and the prosperity we enjoy. Please, keep up more now than ever, your important work in guaranteeing that democracy succeeds in this precious hemisphere of ours. Thank you for what you're doing and God bless the United States of America. Thank you all very much.

END

11:47 A.M. EDT



United States Department of State

Washington, D.C. 20520

Date: 17 MAY 1990

TO: DAN MCGROARTY
WHITE HOUSE SPEECHWRITERS' OFFICE

PHONE: 456-2773

FROM: Bernard Aronson
Assistant Secretary for Inter-American Affairs

PHONE: 202-647-9210

No. of Pages (including cover): 2

REMARKS: DAN;
VERY MINOR SUGGESTED CHANGES TO THE DRAFT
ADDRESS BEFORE THE COUNCIL OF THE AMERICAS.
I. ALSO SUGGEST YOU TAKE A LOOK AT
DON JOHNSON'S DRAFT FOR USEFUL ADDITIONS TO YOURS.

4

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the mass of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, ^{Bolivia} Argentina, Venezuela, Mexico and Jamaica, ^{Cuba, Peru} free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope that these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	✓ MCCLURE <i>N/C</i>	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	✓ PORTER	☒	☐
✓ DARMAN	☒	☐	✓ ROGICH <i>N/C</i>	☒	☐
✓ BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	ROGERS	☐	☒
CICCONI	☐	☒	✓ PINKERTON	☒	☐
DEMAREST	☒	☐	WINSTON	☐	☒
FITZWATER	☐	☒	✓ BOSKIN	☒	☐
✓ GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

NSC'S ATTACHED →

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory
acknowledgements. *DAVID Rockefeller (Ch.) Ambassador Landreau Pres*
Bernard Anson -- our very able A. Sec for Inter-American
Americas.] [Admin. Members, State officials.] *affairs.*

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

Over the past twelve months, it has sometimes seemed that
the eyes of the world rest solely on Eastern Europe -- on the
miraculous transformation that has taken place there. Our
friends in Latin America have watched these historic events
unfold, with inspiration and awe. But also, I know, with an
unmistakable **sense of anxiety** -- concern that our **active**
involvement in Europe will mean **a decline in U.S. interest in**
Latin America.

I am here today to assure you -- just as I've assured the
many Latin American leaders I've met with -- that the events of
the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today -- on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to ~~the~~ ^{what he calls the "informal sector" indep +} ~~illegal, shadow economy -- run by~~ ^{the thousands of independent entrepreneurs} enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, ^{+ BOLIVIA} Argentina, Venezuela, Mexico, ^{Costa Rica,} and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope ~~that~~ these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

ARONSON -
WANTED TO SEE
SOME RHET. FAVORING
FREE TRADE -
IN OPEN ENDED WAY.

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation **has a stake in the economic health of this hemisphere**. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point:

Boskin → Last year, the ²Columbian economy grew ⁴3 percent. U.S. exports to ⁹Columbia rose 9 percent. // **Mexico's** economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In **Chile**, with an overall growth rate of 10 percent, U.S. exports increased by **triple that rate -- more than 30 percentage points**.

Porter Now, let's take a fresh look at a familiar statistic. We all know total Latin debt ^{15 ABOUT}~~exceeds~~ \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider **what it means for the U.S.:** by one estimate, ^{the poor economic performance in L.A. -- related to} the debt burden **has cost the United States as much as \$75 billion in lost exports over the past ten years.**

Porter That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to ^{reducing}~~reduce~~ **restructure their debt** -- ways that 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.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear *of your efforts to translate that commitment into reality - jobs growth* about the promising new ventures generated by your own recently *as with* completed Caribbean/Central American Action mission to Nicaragua.]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is **an important role for government to play as well** -- especially during the difficult days of **transition from dictatorship to democracy**. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a *letter* ~~note~~ from President Chamorro -- just three weeks into her term in office, ~~dealing with a crippling strike staged by pro-Sandinista unions~~ -- telling me that **Nicaragua was bankrupt**. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

COUNCIL OF THE AMERICAS \ THE STATE DEPARTMENT
MAY 22, 1990 \ 11:00 A.M.

THANK YOU, MR. SECRETARY [BAKER]. DAVID
ROCKEFELLER, CHAIRMAN OF THE COUNCIL OF THE AMERICAS.
AMBASSADOR LANDAU, THE COUNCIL'S PRESIDENT. //
BERNARD ARONSON -- OUR VERY ABLE ASSISTANT SECRETARY OF
STATE FOR INTER-AMERICAN AFFAIRS. //

I AM PLEASED ONCE AGAIN TO SPEAK TO THIS
INFLUENTIAL GROUP -- PIONEERS IN THE PRIVATE-SECTOR
EFFORT TO EXPAND TRADE AND INVESTMENT BETWEEN THE U.S.
AND LATIN AMERICA. AND I'M DELIGHTED TO ADDRESS THIS
GATHERING AFTER WHAT HAS BEEN A REMARKABLE YEAR OF
CHANGE.

OVER THE PAST TWELVE MONTHS, IT HAS SOMETIMES
SEEMED THAT THE EYES OF THE WORLD REST SOLELY ON
EASTERN EUROPE -- ON THE MIRACULOUS TRANSFORMATION THAT
HAS TAKEN PLACE THERE. OUR FRIENDS IN LATIN AMERICA
HAVE WATCHED THESE HISTORIC EVENTS UNFOLD, WITH
INSPIRATION AND AWE. BUT ALSO, I KNOW, WITH AN
UNMISTAKABLE SENSE OF ANXIETY -- CONCERN THAT OUR
ACTIVE INVOLVEMENT IN EUROPE WILL MEAN A DECLINE IN
U.S. INTEREST IN LATIN AMERICA.

I AM HERE TODAY TO ASSURE YOU -- JUST AS I'VE ASSURED THE MANY LATIN AMERICAN LEADERS I'VE MET WITH -- THAT THE EVENTS OF THE PAST YEAR HAVE INCREASED U.S. INTEREST IN THIS REGION -- 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 ANGUISH AND TURMOIL, THE PROVISIONAL GOVERNMENT HAS NOW ANNOUNCED ITS INTENTION TO HOLD FREE ELECTIONS. THIS THURSDAY, I WILL BE MEETING AT THE WHITE HOUSE WITH PRESIDENT ERTHA TROUILLOT, WHERE WE'RE SURE TO DISCUSS WAYS WE CAN SUPPORT DEMOCRACY IN HAITI. // IN ALL OF LATIN AMERICA, ONLY CUBA REMAINS -- CASTRO'S ISLAND PRISON, ISOLATED, OUT OF STEP WITH THE DEMOCRATIC TIDE. // BUT TODAY -- THE DAY WE ARE CELEBRATING THE ANNIVERSARY OF CUBAN INDEPENDENCE -- LET ME SAY WITH CERTAINTY THAT EVEN IN CUBA, THE DREAM OF DEMOCRACY CAN ONLY BE DEFERRED -- IT WILL NEVER BE DESTROYED. //

AS WE IN THE U.S. 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. THE OUTSTRETCHED HAND OF PARTNERSHIP, FROM THE NATION THAT WILL BE, BY THE YEAR 2000, HOME OF THE WORLD'S SECOND-LARGEST SPANISH-SPEAKING CULTURE -- THE UNITED STATES. //

I'VE BEEN WORKING TO STRENGTHEN OUR TIES. JUST THIS YEAR ALONE, I'VE MET WITH PRESIDENTS BARCO, PAZ AND GARCIA, AT THE ANDEAN DRUG SUMMIT IN CARTAGENA. HERE IN WASHINGTON, I'VE HOSTED PRESIDENTS PEREZ AND PAZ, CRISTIANI AND ENDARA, COLLOR DE MELLO, CALDERON AND CALLEJAS, AND PRIME MINISTER MANLEY. IN EACH CASE, I'VE COME AWAY FROM OUR TALKS WITH A STRONG SENSE OF OPTIMISM. AND I BELIEVE EVERY ONE OF THOSE LEADERS LEFT THE WHITE HOUSE KNOWING THAT THE U.S. IS ENGAGED AS NEVER BEFORE IN THE FUTURE OF THIS HEMISPHERE.

WHILE FROM COUNTRY TO COUNTRY CONDITIONS DIFFER, WE KNOW NOW THAT OUR CHALLENGE IS TO CONSOLIDATE DEMOCRACY -- AND ACCELERATE DEVELOPMENT.

THAT MEANS ADVANCING THE INTELLECTUAL REVOLUTION NOW SWEEPING LATIN AMERICA -- A MOVEMENT AWAY FROM STALE, STATIST DOCTRINES. AWAY FROM DICTATORSHIPS OF THE RIGHT AND LEFT. TOWARD DEMOCRACY -- FREE GOVERNMENT -- FREE ENTERPRISE. TOWARD THE TRUE POLITICAL AND ECONOMIC EMPOWERMENT OF THE PEOPLE.

THAT MEANS ENCOURAGING, FOR THE FIRST TIME IN MANY CASES, GENUINE FREE MARKET REFORM. EVEN IN COUNTRIES THAT CLAIMED NO KINSHIP WITH COMMUNISM, 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 -- AS THEY REAP THE
REWARDS THAT WILL FOLLOW WHAT CAN BE A PAINFUL
TRANSITION -- THESE NATIONS WILL BRING OTHERS IN THEIR
WAKE. //

WE IN THE U.S. MUST DO ALL WE CAN TO ENSURE THE FUTURE OF FREE MARKETS IN THE AMERICAS -- BECAUSE OUR NATION HAS A STAKE IN THE ECONOMIC HEALTH OF THIS HEMISPHERE. // WE KNOW THAT SINCE THE LATE '70S, LATIN AMERICA'S SHARE OF ALL U.S. TRADE DROPPED FROM 10 PERCENT OF ALL U.S. EXPORTS, DOWN TO 7 PERCENT. / AND YET -- LAST YEAR, FOR THE FIRST TIME EVER, TWO-WAY TRADE BETWEEN THE U.S. AND LATIN AMERICA TOPPED \$100 BILLION DOLLARS. AS THAT TRADE CONTINUES TO GROW -- SO WILL THE LINK BETWEEN OUR PROSPERITY AND THE PROSPERITY OF OUR LATIN AMERICAN PARTNERS.

LET ME PROVIDE A FEW STATISTICS TO DRIVE HOME THIS POINT: LAST YEAR, THE COLOMBIAN ECONOMY GREW 3 PERCENT. U.S. EXPORTS TO COLUMBIA ROSE 9 PERCENT. // MEXICO'S ECONOMY GREW 3 PERCENT -- AND U.S. EXPORTS TO THAT COUNTRY CLIMBED 21 PERCENT. // IN CHILE, WITH AN OVERALL GROWTH RATE OF 10 PERCENT, U.S. EXPORTS INCREASED BY TRIPLE THAT RATE -- MORE THAN 30 PERCENTAGE POINTS.

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 ECONOMIC REFORMS IN LATIN AMERICA. MARKET-ORIENTED ECONOMIES HELP PROVIDE THE NEEDED FOUNDATION FOR DEMOCRACY.

THAT'S WHY I'M SO PLEASED TO REPORT ON THE PROGRESS WE'VE MADE THIS PAST YEAR UNDER THE BRADY PLAN. MEXICO, VENEZUELA AND COSTA RICA HAVE ALL REACHED 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. //

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'S SOMETHING BEYOND THE BOTTOM LINE. SOMETHING THAT CAN'T 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 JUST TO ECONOMIC GROWTH -- BUT TO THE GROWTH OF DEMOCRACY. //

NOW, THERE IS AN IMPORTANT ROLE FOR GOVERNMENT TO PLAY AS WELL -- ESPECIALLY DURING THE DIFFICULT DAYS OF TRANSITION FROM DICTATORSHIP TO DEMOCRACY. THAT'S WHY I'VE CALLED ON CONGRESS TO PROVIDE \$800 MILLION IN EMERGENCY ECONOMIC AID TO PANAMA AND NICARAGUA. THIS AID IS CRITICAL. / A LITTLE OVER A WEEK AGO, I RECEIVED A LETTER FROM PRESIDENT CHAMORRO -- JUST THREE 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. ///

TODAY, I BEGAN BY SPEAKING ABOUT THE CHANGES THAT
HAVE RIVETED WORLD ATTENTION ON EUROPE. PART OF THE
POWER OF THE STORY IS THAT IT CAN BE TOLD IN INTENSELY
PERSONAL TERMS -- AS THE STORY OF THE DISSIDENT
PLAYWRIGHT WHO IS NOW PRESIDENT. OF THE ELECTRICIAN
WHO CAME TO SYMBOLIZE HIS PEOPLE'S HOPES FOR FREEDOM.
// DEMOCRACY'S ADVANCE IN LATIN AMERICA HAS PRODUCED
ITS SHARE OF HEROES -- AND TODAY I'LL CLOSE WITH THREE
FROM ONE COUNTRY ALONE -- LATIN AMERICA'S NEWEST
DEMOCRACY: NICARAGUA.

FOR FOUR YEARS -- BEGINNING IN 1979, THE YEAR THE SANDINISTAS TOOK POWER -- ENRIQUE DREYFUS WAS HEAD OF NICARAGUA'S SUPREME COUNCIL OF PRIVATE ENTERPRISE -- A PRIVATE-SECTOR GROUP IN MANY WAYS SIMILAR TO THIS ONE. HIS CRITICISM OF SANDINISTA RULE PUT HIM ON THE SANDINISTA BLACK LIST, AND LANDED HIM IN PRISON. TODAY, WITH THE SANDINISTAS SWEEPED 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 SIX MONTHS IN PRISON. TODAY, MYRIAM ARGUELLO IS PRESIDENT OF NICARAGUA'S FREELY-ELECTED NATIONAL ASSEMBLY. //

THREE STORIES THAT UNDERSCORE IN PERSONAL TERMS
THE TRULY REVOLUTIONARY POLITICAL CHANGE THAT'S TAKEN
PLACE NOT JUST IN NICARAGUA -- BUT ACROSS THE AMERICAS.
CHANGE THAT PROVES BEYOND DOUBT THAT THE DAY OF THE
DICTATOR IS OVER -- AND DEMOCRACY'S DAY HAS COME. //

FOR OUR PART, WE IN THE UNITED STATES MUST DO ALL
WE CAN TO HELP SECURE FOR ALL THE AMERICAS THE FREEDOM,
THE PEACE AND PROSPERITY WE ENJOY. // ONCE AGAIN,
THANK YOU -- AND GOD BLESS THE UNITED STATES OF
AMERICA.

#

THE WHITE HOUSE

WASHINGTON

May 17, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: JIM PINKERTON *[Signature]*
SUBJECT: Council of the Americas

An upbeat, optimistic, and inspiring draft.

pg. 4, para. 2, line 3 "de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State."

→ Naturally we are gratified to see de Soto invoked here. And the point is perfectly placed in the context of the draft's message. What de Soto calls the "informal sector" is here called the "illegal, shadow economy." Because this conjures up an image of South America's most famous illegal enterprise, the drug trade, we suggest a different formulation, e.g., "...owed it economic vitality to an the efforts of millions of humble micro-entrepreneurs who have sprung up spontaneously, without state planning or the state's approval, to produce wealth on a scale that rivals the static, officially-approved economy."

4,3,1 "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..."

An inspiring passage. Also, the play on Thousand Points of Light is not so heavy-handed as to diminish the effectiveness of borrowing the image.

###

P.S. I hope that the string of foreign names on 3,2,4 won't become a mouthful.

00 MAY 17 PM 13

*Support for \$75 B. figure on page 5,
provided by STATE/LAT AM*

LATIN AMERICAN TRADE REVIEW 1989

A U.S. Perspective

U.S. DEPARTMENT OF COMMERCE
International Trade Administration
Office of South America

June 1989



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

LATIN AMERICA TRADE REVIEW 1988: A U.S. PERSPECTIVE

I am pleased to provide you with the International Trade Administration's latest review of trade with Latin America and the Caribbean. Two-way trade increased substantially last year, reinforcing the importance of the region to our national and economic interests. These interests are strong not only in trade, but also in investment and finance.

The region's economic prosperity is tied closely to a resolution of the debt issue. The Brady Plan is a recognition of the need to address this pressing question, and provide resources for investment necessary for the region's long term growth.

Over the coming months, there will be numerous elections held throughout the region. The results will have significant implications for our policy in the region, and for the U.S. business community. Enhancing our competitiveness will require renewed effort, not only on the part of federal and state officials, but also the private sector. Ultimately, our efforts to liberalize trade and investment rules in the region and to improve intellectual property protection will bear fruit only if the business community takes advantage of the opportunities created.

Latin America and the Caribbean represents nearly a \$100 billion export market for us, with significant long-term potential. We cannot afford to ignore this area and should target it with renewed and creative vigor.

A handwritten signature in dark ink, appearing to read "R. Johnston", written over the typed name.

Richard L. Johnston
Acting Assistant Secretary
for International Economic Policy

June 1989



Regional Overview

The Latin American Economy in 1988

Throughout the 1980s, Latin America continued to struggle in what has been termed its "lost decade." Real growth slowed sharply, inflation accelerated, and the region again was a net resource exporter to the industrialized countries. While the region's international debt was reduced in absolute terms in 1988, its size and scope continued to be a drag on economic growth and a major preoccupation of government authorities. External financial flows to most countries remained weak, and some governments compensated for this weakness by rapidly expanding the domestic money supply.

The outlook for 1989 is uncertain. Several countries will have new governments, hold elections, or prepare for them in 1990. Thus, potential policy changes will in large part be constrained by political considerations. Moreover, against the backdrop of the debt overhang and continuing net capital exports, economic policymakers will also continue to find their options greatly constrained.

Latin America's gross domestic product grew only by about 1 percent in 1988 (estimates vary from 0.7 percent to 1.4 percent), well below the rate achieved in 1987 (2.5 percent). This resulted from sluggish aggregate growth in the four major economies--Argentina, Brazil, Mexico, and Venezuela. Of the four, only Venezuela recorded a solid increase, at 4.2 percent. This lackluster performance kept many countries at a per capita output level no higher than that achieved in the late 1970s. However, a decade later, policy options for many countries are much more limited. For example, the current overall reluctance of private lending institutions to provide substantial new financing will continue to act as a brake to new investment.

The sizeable jump in inflation last year eroded real purchasing power in the region. If investment and consumption are relatively stagnant, it will be left to the external sector (exports) and governments to spur growth. Governments throughout the region are struggling, however, to curb their fiscal deficits and thereby reduce inflation and structural inefficiencies.

Fortunately, the region's impressive export performance last year should continue in 1989. The countries' currencies largely move with the dollar, and thus Latin America is increasingly competitive in Asia and Europe. Export expansion, and by implication export diversification, will play a central role in the region's growth prospects this year.

Indeed while total regional exports expanded by about 13 percent last year, exports to the United States increased by only 10 percent. For South American countries, export market diversification was even greater; overall exports expanded by 20 percent, but those to the United States increased by only 7 percent. This export diversification, while a slow process, should in the long term assure steadier growth and lessened dependence upon the health of one major market.

Latin America's debt concerns are being addressed more actively this year. There is recognition in both the public and private sectors that debt reduction will be required. However, from an international trade perspective, the region's use of potential savings will be especially important in implementing its export expansion goals. While numerous social objectives will compete for the debt savings, it is important that the savings be channeled to those productive enterprises which assure long-term growth.

Latin America's Exports

Global exports from the region increased by about 13 percent in 1988. The growth was uneven, however.

Overall, South American exports increased by 20 percent (with gains of 30 percent or more by Argentina and Chile); Mexico and the Caribbean Basin countries essentially stayed level.

Increased commodity prices, apart from petroleum, helped the region export more than \$100 billion for the first time since 1984. Yet traditional exports from the region are becoming less important in the 1980s as nontraditional, including manufactured, exports have increased substantially. For example, U.S. imports of manufactured goods from the region have nearly tripled since 1981, while manufactured imports from industrialized countries have increased at a more modest rate.

This suggests that while commodity prices remain quite important, several promising signs are on the horizon. This shift towards increased value added exports, diversification of markets, and expansion of the product base (e.g., Ecuadorian shellfish, Chilean fruit, and Venezuelan aluminum) all indicate an opportunity for assured growth. Policy-makers in the region should take the opportunity to ensure that the recent gains are translated into a coherent program for the next decade.

Latin America's Imports

The region's total imports increased last year by about 16 percent, nearly 50 percent more than in 1987. However, this growth was skewed greatly. Mexico's imports increased by some 55 percent, while South America's increased by only 5 percent. Last year import growth occurred in only five South American countries. Brazil, South America's largest importer, reduced its imports by 2 percent.

This varied growth is not surprising in light of the region's overall economic performance. In fact, South American import growth would have been significantly lower had not some countries (notably Chile, Paraguay, and Venezuela) achieved double digit increases. These countries recorded among the highest GDP growth in the region. This underscores the importance to the international community of long-term growth in Latin America and the implications it has for international trade.

The slower import growth during this decade also is tied to debt service. The region's import level in nominal terms remains 23 percent below 1981 levels. While import demand has been weak, there will be significant increases in demand once sustainable growth is achieved. The region needs substantial infrastructure development, creating demand especially for new equipment, spare parts, and intermediate products. These goods will be especially critical if Latin America is to continue its export expansion efforts.

Latin America's Trade Balance

On the surface, the region's trade balance improved greatly last year. A \$21 billion surplus was recorded, representing a 4 percent gain over 1987 when the surplus amounted to about \$20 billion. Most countries improved their trade balance, although those of Mexico and Venezuela deteriorated -- Venezuela recorded a deficit for the first time in this decade. As a result of an ambitious export expansion program and curtailed imports, Brazil recorded a \$19 billion surplus, a dramatic \$8 billion improvement in one year. Brazil alone accounted for 90 percent of Latin America's surplus.

U.S. Trade with Latin America

U.S.-Latin American trade expanded by 16 percent last year, after a 12 percent growth in 1987. U.S. exports increased by 25 percent, while imports from the region grew by 9 percent. As a result, the U.S. bilateral trade deficit was reduced by over \$4 billion, to \$8.1 billion. Latin America accounted for about 7 percent of the global U.S. deficit, a 1 percentage point improvement over 1987.

U.S. export increases were recorded throughout the region, with declines registered only in Argentina and Peru. All major categories except mineral fuels (which declined) recorded double digit growth. Food and animal exports increased by 40 percent, while machinery and transportation equipment rose by 27 percent. As a result of this strong performance, the U.S. share of Latin America's import market improved from 48 percent in 1987 to 51 percent last year.

Our exports to Mexico increased by over 40 percent, largely the result of import liberalization and the resulting release of pent-up demand. The United States was particularly strong in those markets which achieved impressive growth -- Chile, Colombia, and Venezuela. This strength can be partly attributed to a more competitive dollar vis a vis major European and Asian competitors and to the region's traditional preference for U.S. products when competitive.

U.S. imports from the region also grew, but at a slightly lower rate than in 1987. This slower growth is attributable to a decline in imports of agricultural and mineral fuel products -- down 8 percent. The other eight major categories increased by nearly 25 percent. Argentina, Brazil, Chile, and Mexico recorded the largest gains, although among these, only Mexico's rate of increase exceeded its global increase in exports.

U.S. trade with Latin America is highly concentrated among four countries in the region: Brazil, Colombia, Mexico, and Venezuela. These four countries accounted for nearly three-quarters of U.S. exports to the region, and slightly over that on the import side. With the exception of Colombia, the smallest of the four, these countries face severe debt constraints. A new austerity program in Venezuela will have a very direct, and immediate, effect on U.S. export prospects in 1989. Brazil faces an uncertain year, and Mexico's once sizeable trade surplus has diminished considerably. These factors suggest that in 1989, it is unlikely that U.S. exports to the region will sustain the strong levels achieved in 1988.

In view of the above, there should be a rapid convergence of interests to bring Latin America back to more robust growth. It has been estimated that the debt crisis has cost the United States as much as \$75 billion in lost exports over the past decade. Given the United States' interest in reducing its global trade deficit, the United States cannot assume that the Latin American market will be as receptive in 1989, without addressing the questions of how to sustain the market, and ensure its long-term viability.

WHITE HOUSE STAFFING MEMORANDUM

90 MAY 17 P3:08

DATE: 05/16/90

ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05.17, with a copy to my office. Thanks.

RESPONSE:

5/17 OK S.R.

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable **sense of anxiety** -- concern that our **active involvement in Europe** will mean a **decline in U.S. interest in Latin America**.

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today - - on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope that these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim **a free trade agreement that links all of the Americas -- North and South**. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Columbian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to restructure their debt -- ways that 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.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

Unclass
CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX # B

ADMIN FAX # _____

PAGES 6

DTG 211935

RELEASER STACK

FROM - LOCATION:

1. Peggy Dooley - Speechwriting

TO - LOCATION - TIME OF RECEIPT:

1. Chriss Winston - ~~Murdoch~~ Los Angeles

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

INFORMATION ADDRESSEES - LOCATION - TIME OF RECEIPT:

1. pk. fax to Murdoch Residence Staff Holding

Room and Staff office in L.A.

SPECIAL INSTRUCTIONS - REMARKS:

UNCLASSIFIED

CLASSIFICATION

May 21, 1990, 2:30 pm EST

MEMO TO CHRISS WINSTON

FROM DAN MC GROARTY *DMG*

SUBJ: DEBT AND EXPORT NUMBERS

Re numbers for total LatAm debt and total U.S. exports to Lat Am:

Total LatAm debt: about \$400 billion. There is good agreement on this number, with Treasury's estimate lowest at \$380 B., and a well-accepted Commerce/IMF figure of "about \$400 billion."

Total U.S. exports to L.A.: recent annual figure of \$44.371 billion. USTR

It is possible there is some confusion between \$400 B. debt and \$44 B. U.S. export trade....

As the paragraph stands, there is, again, good support for the \$400 billion dollar debt figure -- and the Commerce study to support the \$75 billion dollars in lost U.S. exports over the past decade.

THE WHITE HOUSE

WASHINGTON

May 18, 1990

MEMORANDUM FOR JIM CICCONI

FROM: HOLLY WILLIAMSON

SUBJECT: Council of the Americas Address

Per your request, attached is an insert for the Council of Americas address. If you have any questions, please contact Steve Danzansky or me. Thanks.

cc: Chriss Winston

THE WHITE HOUSE

WASHINGTON

The Council of the Americas
Presidential Remarks
for May 22, 1990

Page Four
Last Paragraph
INSERT (provided by the EPC)

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.

Steph:
substitutes for A1 deleted
on p. 4 - on Free Trade agreement.

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- ~~there is hope~~ ^{that} these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

needs to be more positive. (EPC)

✓  mature - only is derisory. C, US & Treasury absolutely

to be leted. my problem, please call me. Holly hi. 

U.S. Foreign Trade
Flash Tables, January 1990
Dept. of Commerce, ITA

U.S. Exports by Major Area and Principal Countries

(Billions of dollars (U.S.) change from same period of previous year)

Area/Country	1989		January		Percent Change	
	1989 annual value	1989 value	1990 value	Change value	1989 annual	January 1990
Total exports.....	366,750	27,295	30,621	3,326	13.0	12.2
Developed countries.....	234,750	17,024	19,781	2,757	13.5	15.9
Developing countries.....	117,848	8,405	9,952	1,547	10.4	18.4
OECD.....	13,233	1,165	1,033	-132	-5.4	-11.3
Other developing countries.....	104,614	7,239	8,920	1,681	12.8	23.2
Central America.....	70,552	6,004	6,279	275	9.7	3.2
Caribbean Republics.....	44,271	3,522	3,738	216	10.9	9.0
Brazil.....	4,799	394	403	9	19	4.8
Mexico.....	24,069	1,844	2,153	310	21.0	16.8
Venezuela.....	3,034	304	166	-218	-34.2	-56.8
Other Latin American Republics.....	100,495	7,351	8,446	1,114	14.3	15.2
European Community.....	66,592	6,518	7,002	485	9.5	14.3
Belgium - Luxembourg.....	8,457	641	717	76	5.6	15.8
France.....	11,593	928	953	25	2.3	2.7
Germany, Fed. Rep. of.....	14,803	1,186	1,449	264	24.4	17.7
Ireland.....	2,494	189	203	19	19	22.2
Italy.....	7,232	378	462	85	14.2	9.8
Netherlands.....	13,393	839	1,153	314	37.4	14.4
Spain.....	4,790	398	403	7	1.8	37.4
United Kingdom.....	20,864	1,404	1,611	205	13.6	14.6
Non-EC West Europe.....	13,643	913	1,042	129	14.4	14.1
Sweden.....	3,190	193	202	10	16.3	5.3
Switzerland.....	4,933	331	353	22	17.1	1.2
Denmark.....	2,094	116	162	46	8.3	39.8
Other Western Europe.....	11,114	947	880	-67	-25.0	-6.3
East Europe, excl. Yugoslavia.....	1,025	83	104	21	16.4	24.8
U.S.S.R.....	4,271	374	421	47	54.3	12.7
Other East-European Africa.....	5,597	306	399	93	15.7	-6.9
Egypt.....	2,610	237	289	52	11.9	-12.0
Israel.....	2,091	233	276	44	18.7	18.7
Other Arab Africa.....	3,576	343	403	60	-5.3	-17.5
East and South Asia.....	64,524	2,959	3,774	815	18.2	35.2
Hong Kong.....	6,354	379	439	60	10.8	15.9
India.....	2,443	126	210	84	-1.5	66.8
Indonesia.....	1,856	78	100	22	18.6	140.8
Korea, Republic of.....	13,978	933	1,120	187	20.0	23.4
Malaysia.....	2,873	170	233	63	34.2	48.4
Philippines.....	2,206	167	224	57	17.3	33.1
Singapore.....	7,333	494	611	117	27.5	34.7
Taiwan.....	11,333	706	976	270	-6.6	41.2
Thailand.....	2,372	164	218	54	16.8	31.6
Other Asia.....	9,379	358	609	257	20.1	53.8
Other Oceania.....	1,857	113	149	36	-1.7	32.4

Notes: The countries shown are ranked for U.S. exports of \$2.5 billion or more each in 1989 and/or 1990.
Exports of South Africa. Revised value for 1989 total exports is \$164,399 billion.

Table A46. Developing Countries--By Region: External Debt, by Maturity and Type of Creditor, End of Year, 1982-91¹
(In billions of U.S. dollars)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Developing countries										
Total debt	835.9	856.8	923.9	998.2	1,095.3	1,211.8	1,216.2	1,213.8	1,265.5	1,313.7
By maturity:										
Short-term	184.1	172.9	168.3	164.2	172.6	200.5	211.4	216.6	206.2	209.6
Long-term	651.8	713.9	757.7	833.9	922.7	1,011.3	1,004.7	997.1	1,059.2	1,103.8
By type of creditor:										
Official	249.0	281.0	304.3	351.9	408.5	478.8	490.9	500.8	543.5	588.0
Commercial banks	425.6	436.6	468.8	483.1	506.1	541.1	516.8	503.5	503.3	502.8
Other private	157.7	149.3	149.9	168.9	176.7	187.4	208.0	209.7	219.0	223.1
By region										
Africa										
Total debt	122.1	129.6	132.0	144.5	168.3	192.7	196.6	195.2	206.2	216.0
By maturity:										
Short-term	21.6	21.4	22.6	21.1	20.8	23.2	24.8	23.9	25.1	25.4
Long-term	100.5	108.1	109.4	123.5	147.5	169.4	171.8	171.3	181.1	190.6
By type of creditor:										
Official	58.7	65.1	70.7	80.9	95.7	115.1	118.5	119.8	130.6	140.1
Commercial banks	39.1	37.5	35.0	34.3	37.6	37.7	35.9	34.7	35.1	35.1
Other private	24.0	24.1	24.8	26.6	31.9	36.4	42.0	41.3	41.2	41.4
Asia										
Total debt	186.8	206.9	223.2	251.5	285.0	316.3	332.3	335.1	351.5	370.2
By maturity:										
Short-term	32.3	40.6	43.5	47.8	50.2	61.0	66.9	68.8	70.5	72.8
Long-term	147.3	166.4	179.8	203.7	234.8	255.3	265.3	266.3	281.0	297.1
By type of creditor:										
Official	74.6	82.1	87.4	101.2	115.1	133.5	142.4	144.3	154.8	166.5
Commercial banks	81.6	92.4	96.5	108.7	116.7	127.0	128.1	124.1	123.9	127.8
Other private	30.6	32.3	39.4	41.7	53.2	55.8	61.7	66.7	72.8	76.0
Europe										
Total debt	81.8	81.7	82.7	95.6	110.8	127.1	120.9	116.2	123.2	129.6
By maturity:										
Short-term	10.2	10.7	12.7	14.0	16.4	19.8	20.5	21.3	13.2	14.1
Long-term	71.6	71.0	70.0	81.5	94.4	107.4	100.4	94.9	110.0	115.5
By type of creditor:										
Official	35.7	40.0	40.4	47.8	56.0	64.8	59.8	59.3	64.3	67.6
Commercial banks	38.6	34.3	34.5	30.4	44.6	30.3	44.1	41.8	43.0	45.0
Other private	7.5	7.5	7.8	9.3	10.2	12.1	17.0	15.1	16.0	17.0
Middle East										
Total debt	113.9	124.3	129.0	137.4	147.6	159.8	163.3	167.7	176.1	180.2
By maturity:										
Short-term	49.3	53.1	52.5	54.3	56.3	61.2	63.7	63.1	64.3	66.1
Long-term	64.6	71.2	76.5	83.1	91.3	98.6	101.7	104.6	111.8	114.2
By type of creditor:										
Official	40.3	44.6	48.8	54.4	61.3	67.2	64.9	67.0	72.7	75.6
Commercial banks	43.5	48.9	46.5	47.2	49.9	55.6	56.6	56.6	59.2	59.8
Other private	30.1	30.7	33.8	35.8	36.4	36.9	43.8	44.1	44.2	44.8
Western Hemisphere										
Total debt	331.2	344.4	339.0	369.1	383.7	415.9	401.0	399.5	408.4	417.7
By maturity:										
Short-term	63.4	47.1	37.0	27.0	28.9	35.3	35.5	39.5	33.0	31.3
Long-term	267.8	297.3	322.0	342.1	354.8	380.6	365.6	360.1	375.4	386.4
By type of creditor:										
Official	40.5	48.3	57.1	67.6	80.4	98.2	105.2	110.4	121.2	138.2
Commercial banks	222.8	243.6	256.4	264.3	257.4	270.4	252.0	246.3	242.1	235.1
Other private	65.6	59.6	44.1	45.5	45.0	46.2	43.4	42.5	44.8	44.0

¹ Excludes debt owed to the Fund.

Source: World Economic Outlook - Statistical Appendix
IMF (Draft Version)

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐	<u> </u>	☐	☐
HAGIN	☐	☐	<u> </u>	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

See comments

50 MAY 17 12:45

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable **sense of anxiety** -- concern that our **active involvement in Europe** will mean a **decline in U.S. interest in Latin America**.

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today -- on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope that these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the

Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

*Canada included?
Should we say
"from the Canadian
port of
Silberman
x 4594*

*EPC has
not discussed
yet. Should
this be
mentioned
at this
time?
Silberman
x 4594*

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Columbian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to restructure their debt -- ways that 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.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is **an important role for government to play as well** -- especially during the difficult days of **transition from dictatorship to democracy**. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. ^{this year} This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that **Nicaragua was bankrupt**. And yet, for more than 2 months now, **this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to**

Silberman
x 4594

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

THE WHITE HOUSE

WASHINGTON

May 17, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*
SUBJECT: Presidential Remarks: Council of the Americas

We have reviewed the Presidential remarks to the Council of the Americas and have indicated comments on pages four and five of the attached copy. Three points are particularly significant:

- o Free trade agreement. The final paragraph on page 4 would prematurely commit the President to a Hemispheric free trade agreement. The issue is now under review in an EPC working group and will be presented to the President for decision in the next few weeks. The paragraph should be deleted.
- o Debt. The third paragraph on page 5 cites a figure of \$75 billion as the cost of the Latin debt problem in terms of lost U.S. exports over the past 10 years. The figure is unknown to Treasury, and is in any event speculative. The impact of the debt problem cannot meaningfully be separated from the impact of exchange rate changes or other factors. We suggest an alternate formulation. *See Berlin*
- o The Brady Plan. In the final paragraph on page 5, it is important to mention the Brady Plan's emphasis on reducing (rather than restructuring) debt.

If you have any questions or we can help in any other way, please let me know.

Attachment

c: James W. Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMEYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐	<u> </u>	☐	☐
HAGIN	☐	☐	<u> </u>	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable **sense of anxiety** -- concern that our **active involvement in Europe** will mean a **decline in U.S. interest in Latin America**.

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today - - on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- ~~there is hope~~ ~~that~~ these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

[more positive]

premature
a study
is underway.

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation **has a stake in the economic health of this hemisphere**. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Columbian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by **triple that rate -- more than 30 percentage points**.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt ^{is about} exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider **what it means for the U.S.:** **by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.**

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to reduce ^{burdens} ~~restructure~~ their debt -- ways that complement their efforts to restructure their economies along free-market lines.

Setting aside US trade with Mexico, Latin America's share of total U.S. exports fell from 10% in the 1960's and '70's to 7% today. Those three percentage points of an export base of nearly \$400 billion represents a sizable loss

Because in the long-term, the free market remains the only path to sustained growth.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

Action, Susan Collins
cc: JT

Document No. 141631

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90

ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐	<u> </u>	☐	☐
HAGIN	☐	☐	<u> </u>	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

81:42 17 MAY 90

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable **sense of anxiety** -- concern that our **active involvement in Europe** will mean **a decline in U.S. interest in Latin America.**

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today - - on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite - - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope that these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim **a free trade agreement that links all of the Americas -- North and South**. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation **has a stake in the economic health of this hemisphere**. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Colombian economy grew ^{4 percent} 3 percent. U.S. exports to **Columbia** rose 9 percent. // **Mexico's** economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In **Chile**, with an overall growth rate of 10 percent, U.S. exports increased by **triple that rate -- more than 30 percentage points**.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider **what it means for the U.S.:** by one estimate, **the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.**

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to restructure their debt -- ways that complement their efforts to restructure their economies along free-market lines.

Columbia's economy grew 3.9% last year.

the poor economic performance in Latin America, that is related in part to

Because in the long-term, the free market remains the only path to sustained growth.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

THE WHITE HOUSE

WASHINGTON

May 17, 1990

BOOTLEG

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER

SUBJECT: Presidential Remarks: Council of the Americas

We have reviewed the Presidential remarks to the Council of the Americas and have indicated comments on pages four and five of the attached copy. Three points are particularly significant:

- o Free trade agreement. The final paragraph on page 4 would prematurely commit the President to a Hemispheric free trade agreement. The issue is now under review in an EPC working group and will be presented to the President for decision in the next few weeks. The paragraph should be deleted.
- o Debt. The third paragraph on page 5 cites a figure of \$75 billion as the cost of the Latin debt problem in terms of lost U.S. exports over the past 10 years. The figure is unknown to Treasury, and is in any event speculative. The impact of the debt problem cannot meaningfully be separated from the impact of exchange rate changes or other factors. We suggest an alternate formulation.
- o The Brady Plan. In the final paragraph on page 5, it is important to mention the Brady Plan's emphasis on reducing (rather than restructuring) debt.

If you have any questions or we can help in any other way, please let me know.

Attachment

c: James W. Cicconi

THE WHITE HOUSE
WASHINGTON

May 17, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: STEPHEN G. RADEMAKER *SR*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks -- Council of the Americas

Pursuant to Jim Cicconi's request, Counsel's Office has reviewed the above-referenced matter. We are concerned that the final sentence of the first full paragraph on page 6 could be construed as an endorsement of particular commercial ventures. To avoid any such suggestion, the sentence should be revised to read as follows: "And I'm pleased to hear of your efforts to translate that commitment into reality, as with your recently completed Caribbean/Central American Action mission to Nicaragua."

Subject to this change, Counsel's Office has no legal objection to the proposed remarks.

cc: James W. Cicconi

90 MAY 17 11:53

Document No. 141631**WHITE HOUSE STAFFING MEMORANDUM**DATE: 05/16/90ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	MCCLURE	☐	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMEYER	☐	☐
CARD	☐	☒	ROGERS	☐	☒
CICCONI	☐	☒	PINKERTON	☒	☐
DEMAREST	☒	☐	WINSTON	☐	☒
FITZWATER	☐	☒	BOSKIN	☒	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

NO COMMENTS 5/17/90

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

1990 MAY 18 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable sense of anxiety -- concern that our active involvement in Europe will mean a decline in U.S. interest in Latin America.

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections.* / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today -- on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

ON THURSDAY,
I WILL BE
MEETING HERE
AT THE WHITE
HOUSE WITH
PRESIDENT

ERTHA TROUBLOT,

WHERE I AM

SOME WE

WILL DISCUSS W/ HIM

WAYS IN WHICH

WE CAN SUPPORT

DEMOCRACY IN HAITI.

CONSOLIDATE THE

AND OUR

(must) OFFER

CAN ONLY BE DEFERRED - IT CANNOT BE DESTROYED

must OFFER

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the **intellectual revolution** now sweeping Latin America -- a movement away from stale, Statist doctrines. Away from dictatorships of the Right and Left. Toward democracy -- free government -- free enterprise. Toward the true political and economic **empowerment of the people.**

That means encouraging, ~~for the first time in many cases,~~ genuine free market reform. Even in countries that claimed no kinship with communism, ^{THE ECONOMIES HAVE ^{SOMETIMES} BEEN KEPT INSULATED} ~~economies have been capitalist in name~~ ^{FROM COMPETITION AND INNOVATION. THIS HAS NOT PRODUCED PROSPERITY, &} **only.** ~~In practice, they were rigged to favor the ruling elite --~~ ^{THE OPPOSITE HAS BEEN THE CASE. (IT HAS BEEN MADE WORSE} **- organized to ensure the prosperity of the people in power --** ^{SENSE TO TAKE MONEY OUT OF THESE COUNTRIES INSTEAD OF INVEST IN THEM.)}

The economies

*True free market
did not exist...*

not to open an avenue toward upward mobility for anyone ready and willing to work.

CRITICS OF THESE POLICIES HAVE BEEN MANY. LET ME CITE JUST ONE OF THEM --

A Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that ^{HAVE} stood in the way of the entrepreneur and stifled economic growth in his country. De Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

De Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- there is hope that these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

CAN'T USE THIS.
EPC IS STILL
WORKING ON
THE POLICY.

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. ^{And yet} Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the ⁰Columbian economy grew 3 percent. U.S. exports to Colombia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to restructure their debt -- ways that complement their efforts to restructure their economies along free-market lines.

added to draft

We know that since the late 70's, L.A.'s share of all US trade dropped from 10% of US exports to 7%.

THESE FIGURES ARE MISLEADING ABOUT THE OVERALL STATE OF OUR ECONOMIC RELATIONS. LAT. AM'S SHARE OF TOTAL US TRADE DROPPED FROM 10% OF US EXPORTS IN THE LATE 70'S TO 7% OR US EXPORTS IN 1989. THE PRESIDENT'S AUDIENCE WON'T BE IMPRESSED BY SOFT NUMBERS - THE TRUE SAVVY BUSINESS TYPES.

STET

X
X

Because in the long-term, the free market remains the only path to sustained growth.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

WHAT IF
THE LEGISLATION
HAS BEEN
PASSED BY
TUESDAY?

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
~~SCOWCROFT~~	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐	<u> </u>	☐	☐
HAGIN	☐	☐	<u> </u>	☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

MEMORANDUM TO: CHRISS WINSTON

The NSC Staff concurs with changes noted in the text.

Brent Scowcroft

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

May 18, 1990

NOTE TO CHRISS AND STEPHANIE

Bond copy, reconciled by DD -- based on all comments plus
NSC Staff bootleg. NSC asked that this draft be reviewed by
General Scowcroft in Dallas.

Master and NSC bootleg are clipped to front of folder, all
other comments inside.

— Dan McJ

WHITE HOUSE STAFFING MEMORANDUM

DATE: 05/16/90

ACTION/CONCURRENCE/COMMENT DUE BY: 2:00pm 05/17/90

SUBJECT: PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
(05/16 6:15 pm draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	<u>WINSTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☒	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Thursday 05,17, with a copy to my office. Thanks.

RESPONSE:

See Comments.
5-17-90

Holly Williamson
MAY 17 1990

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

1990 MAY 16 PM 6:43

McGroarty/Dooley
May 16, 1990
6:15 pm
[AMER]

PRESIDENTIAL REMARKS: COUNCIL OF THE AMERICAS
THE STATE DEPARTMENT
MAY 22, 1990
11:00 A.M.

Thank you, Mr. Secretary [Baker]. [Introductory acknowledgements. President and Chairman of Council of the Americas.] [Admin. Members, State officials.]

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

Over the past twelve months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe -- on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration and awe. But also, I know, with an unmistakable **sense of anxiety** -- concern that our **active involvement in Europe** will mean a **decline in U.S. interest in Latin America.**

I am here today to assure you -- just as I've assured the many Latin American leaders I've met with -- that the events of the past year have increased U.S. interest in this region --

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 anguish and turmoil, the provisional government has now announced its intention to hold free elections. / Only Cuba remains -- Castro's island prison, isolated, out of step with the democratic tide. // But today -- on the anniversary of Cuban Independence -- let me say with certainty that even in Cuba, democracy will not be denied. //

As we in the U.S. welcome our Central and South American neighbors into the ranks of democracy, we owe them our help -- and something more. We owe them our respect -- the respect due

✓
Insert
#1

(Treasury)

one free nation from another. The outstretched hand of partnership, from the nation that will be, by the year 2000, home of the world's second-largest Spanish-speaking culture -- the United States. //

I've worked to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. Here in Washington, I've hosted Presidents Perez and Paz, Cristiani and Endara, Collor de Mello, Calderon and Callejas, and Prime Minister Manley. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that **the U.S. is engaged as never before in the future of this hemisphere.**

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

X 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.**

? ✓
Treasury

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, economies have been **capitalist in name only.** In practice, they were rigged to favor the ruling elite -- - organized to ensure the prosperity of the people in power --

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- ~~there is hope~~ ~~that~~ these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a **free trade agreement that links all of the Americas -- North and South**. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

needs to be more positive. (EPC)

☆

immature study is underway.

EPC, USTR Treasury

has to be deleted.

Any problem, please call me. Holly W.

☆

And we in the U.S. must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. Last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Colombian economy grew ^{4 (3.9 exactly)} percent. U.S. exports to ^(2.9 exactly) Columbia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

Now, let's take a fresh look at a familiar statistic. We all know total Latin debt exceeds \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: by one estimate, the debt burden has cost the United States as much as \$75 billion in lost exports over the past ten years.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to restructure their debt -- ways that complement their efforts to restructure their economies along free-market lines.

Delete.
See Insert
#2
from
Treasury
over for
explanation
of deletion.

this
move &
becomes
part
of
Insert
#1
from Treasury

Why move??

Treasury had a problem of \$400 billion dollars, as well as the remaining paragraph. The EPC also said to get rid of "by one estimate, the debt..."

Because setting aside US trade with Mexico, Latin America's share of total US exports fell from 10% in the 1960's + 70's, to ~~10%~~ 7% today. Those 3% points off an export base of nearly \$400 billion represents a sizeable loss.

Because in the long-term, the free market remains the only path to sustained growth.

} part
of
Insert
#1
now.

[[Of course, the private sector plays a crucial role. I know Council of the Americas is committed to expanding opportunities for trade and investment. And I'm pleased to hear about the promising new ventures generated by your own recently completed Caribbean/Central American Action mission to Nicaragua....]]

Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured in simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- contributes not just to economic growth -- but to the growth of democracy. //

Now, there is an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why I've called on Congress to provide more than \$700 million dollars in emergency economic aid to Panama and Nicaragua. This aid is critical. / A little over a week ago, I received a note from President Chamorro -- just three weeks into her term in office, dealing with a crippling strike staged by pro-Sandinista unions -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol Hill, as Congressmen take advantage of these two nations' dire needs to

tack on unrelated amendments -- and load onto our aid request funding for their pet projects.

Meanwhile, for the people of Nicaragua and Panama -- democracy hangs in the balance. //

So let me say to the Congress: not one more day of delay. The fate of freedom rests in your hands. Rise above parochial interests and the politics of pork barrel. Do the work of democracy -- and pass this emergency aid package now. ///

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Of the electrician who came to symbolize his people's hopes for freedom. // Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For four years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas

had politicized the schools. Today, Ms. Cisneros is Minister of Education. //

And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to six months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly. //

Three stories that underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come. //

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and prosperity we enjoy. // Once again, thank you -- and God bless the United States of America.

#

the economic health of this hemisphere. // We know that since the late '70s, Latin America's^x share of all U.S. trade dropped from 10 percent of all U.S. exports, down to 7 percent. / And yet -- last year, for the first time ever, two-way trade between the U.S. and Latin America topped \$100 billion dollars. As that trade continues to grow -- so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Colombian economy grew 4 percent. U.S. exports to Colombia rose 9 percent. // Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. // In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

~~Now, let's take a fresh look at a familiar statistic. We all know total Latin debt is about \$400 billion dollars, and we've all heard analyses of what that means for development in Latin America. Well, I ask you today to consider what it means for the U.S.: by one estimate, poor economic performance in Latin America -- related in part to the debt burden -- has cost the United States as much as \$75 billion in lost exports over the past ten years.~~

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their creditors on ways to reduce their debt -- ways that complement their efforts to restructure their economies along free-market lines. Because

Treasury InsertsInsert 1

2 The strengthened debt strategy launched last spring has reinvigorated market-oriented economic reforms in Latin America. Market-oriented economies are the long-term foundation for democracy.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela and Costa Rica have all reached agreement with their commercial banks and spurred their efforts to restructure their economies along free-market lines. It is crucial that this involves policies that foster investment, open up trade, repatriate flight capital, and promote non-inflationary growth. Because in the long-term, the free market remains the only path to sustained growth.

Insert 2

In many Latin countries, poor economic policies and heavy debt burdens have impaired growth and development during the 1980s. Reduction of commercial banks debt can free up resources for imports, investment, and growth.

Unclass
CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

SECURE FAX # 13

ADMIN FAX # _____

PAGES 6

DTG 211935

RELEASER

STACK

FROM - LOCATION:

1. Peggy Dooley - Speechwriting

TO - LOCATION - TIME OF RECEIPT:

1. Chriss Winston - ~~Alaska~~ Los Angeles

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

INFORMATION ADDRESSEES - LOCATION - TIME OF RECEIPT:

1. pb. fax to Murdock Residence Staff Holding

Room and Staff office in L.A.

SPECIAL INSTRUCTIONS - REMARKS:

UNCLASSIFIED

CLASSIFICATION

May 21, 1990, 2:30 pm EST

MEMO TO CHRISS WINSTON

FROM DAN MC GROARTY *DMG*

SUBJ: DEBT AND EXPORT NUMBERS

Re numbers for total LatAm debt and total U.S. exports to Lat Am:

Total LatAm debt: about \$400 billion. There is good agreement on this number, with Treasury's estimate lowest at \$380 B., and a well-accepted Commerce/IMF figure of "about \$400 billion."

Total U.S. exports to L.A.: recent annual figure of \$44.371 billion. USTR

It is possible there is some confusion between \$400 B. debt and \$44 B. U.S. export trade....

As the paragraph stands, there is, again, good support for the \$400 billion dollar debt figure -- and the Commerce study to support the \$75 billion dollars in lost U.S. exports over the past decade.

Clearly, the opportunity is there for the private sector to work to strengthen Americas trade picture in America.

THE WHITE HOUSE
WASHINGTON

May 18, 1990

MEMORANDUM FOR JIM CICCONI

FROM: HOLLY WILLIAMSON

SUBJECT: Council of the Americas Address

Per your request, attached is an insert for the Council of Americas address. If you have any questions, please contact Steve Danzansky or me. Thanks.

cc: Chriss Winston

THE WHITE HOUSE

WASHINGTON

The Council of the Americas
Presidential Remarks
for May 22, 1990

Page Four
Last Paragraph
INSERT (provided by the EPC)

① 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.

Steph:
substitutes for 41 deleted
on p. 4 - on Free Trade agreement.

Strategy

not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. de Soto also shows how much Lima, Peru's capital, owed its economic vitality to the illegal, shadow economy -- run by enterprising individuals without the consent of the State.

de Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil, Argentina, Venezuela, Mexico and Jamaica, free market reforms are going forward, creating space for private initiative to take hold and flourish. As they succeed -- as they reap the rewards that will follow what can be a painful transition -- ~~there is hope~~ ^{that} these nations will bring others in their wake.

And there's no reason to stop there -- no reason not build on this shift towards the free market philosophy, and make our ultimate aim a free trade agreement that links all of the Americas -- North and South. We look forward to the day when not only are the Americas the first fully democratic hemisphere -- but when all are equal partners in a free trade zone stretching from the Alaska's Port of Anchorage to Argentina's Tierra del Fuego. //

needs to be more positive. (EPC)

★

mature -- truly is derway.

C, USTR (Tracy)

absolutely

to be leted.

my problem, please call me. Holly hi.

★

Source:

U.S. Foreign Trade

Flash Tables, January 1990

Dept. of Commerce, ITA

U.S. Exports by Major Area and Principal Countries

Millions of dollars (a.s.f. change from same period of previous year)

Area/country	January			Percent Change	
	1989 annual value	1989 value	1990 value	1989 annual	January 1990
Total exports.....	364,730	27,293	30,621	13.0	12.2
Developed countries.....	834,730	17,684	19,781	13.5	15.8
Developing countries.....	117,040	8,495	9,952	10.4	18.4
OECD.....	13,233	1,145	1,033	-5.4	-11.3
Other developing countries.....	104,614	7,350	8,920	12.8	23.2
CANADA.....	78,553	6,006	6,279	9.7	3.2
* AMERICAN REPUBLICS.....	44,371	3,423	3,738	10.9	9.0
Brazil.....	4,769	386	405	12.5	4.8
Mexico.....	26,969	1,844	2,153	21.0	16.8
Venezuela.....	3,036	304	166	-36.2	-56.8
OTHER WESTERN HEMISPHERE.....	100,435	7,331	8,444	14.3	15.2
NORTHERN EUROPE.....	86,592	6,418	7,402	14.3	15.3
European Community.....	8,657	661	717	16.8	8.5
Belgium - Luxembourg.....	11,353	928	953	16.2	2.7
France.....	16,883	1,184	1,449	17.7	22.2
Germany, Fed. Rep. of.....	2,494	189	268	14.2	9.8
Ireland.....	7,232	578	662	6.7	14.4
Italy.....	13,393	839	1,153	12.6	37.4
Netherlands.....	4,798	398	405	13.8	1.8
Spain.....	20,864	1,404	1,611	13.6	14.6
United Kingdom.....	13,043	913	1,042	14.4	14.1
Non-EC West Europe.....	2,140	198	288	16.3	5.3
Sweden.....	4,933	351	353	17.1	1.2
Switzerland.....	2,044	116	122	8.3	39.8
Turkey.....	11,114	947	840	-99	-6.3
COMMONWEALTH ASIA IN EUROPE AND ASIA.....	1,025	83	166	16.4	24.8
East Europe, excl. Yugoslavia.....	4,271	374	421	54.3	12.7
U.S.S.R.....	5,097	306	359	15.7	-6.9
China, People's Republic of.....	2,610	257	289	11.9	-12.0
NEAR EAST-NORTH AFRICA.....	2,651	233	276	12.7	18.7
Egypt.....	3,576	343	285	-59	-17.5
Israel.....	46,224	2,759	3,774	18.2	35.2
JORDAN.....	6,364	376	459	8.8	8.5
LEBANON.....	2,473	126	210	51.1	66.8
Saudi Arabia.....	1,834	78	108	18.6	149.8
Yemen.....	13,478	953	1,190	20.0	23.4
NORTH AFRICA.....	2,875	170	253	34.2	48.4
Algeria.....	2,266	157	224	17.5	53.1
Libya.....	7,353	484	611	27.5	34.7
Sudan.....	11,123	705	996	-4.6	41.2
Tunisia.....	2,572	166	218	16.8	31.6
Yemen.....	8,574	552	649	20.1	55.8
AFRICA.....	1,659	113	149	1.7	32.4
South Africa, Republic of.....	1,659	113	149	1.7	32.4

NOTE: The countries shown were reported for U.S. exports of \$2.0 billion or more each in 1989 and/or in 1990. Exports of \$2.0 billion or more each in 1989 and/or in 1990 are shown in boldface type.

Table A46. Developing Countries—by Region: External Debt, by Maturity and Type of Creditor, End of Year, 1982-91¹
(in billions of U.S. dollars)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Developing countries										
Total debt	835.9	886.8	925.9	998.2	1,095.3	1,211.8	1,216.2	1,313.8	1,265.5	1,313.7
By maturity:										
Short-term	184.1	172.9	168.3	164.2	172.6	200.5	211.4	216.6	206.2	209.6
Long-term	651.8	713.9	757.7	833.9	922.7	1,011.3	1,004.7	997.1	1,059.2	1,103.8
By type of creditor:										
Official	249.9	281.0	304.3	351.9	408.5	478.8	490.9	500.8	543.5	588.0
Commercial banks	425.6	456.6	468.8	483.1	506.1	541.1	516.8	503.5	503.3	502.8
Other private	157.7	148.3	149.9	158.9	176.7	187.4	208.0	209.7	219.0	223.1
By region										
Africa										
Total debt	122.1	129.6	132.0	144.5	168.3	192.7	196.6	195.2	206.2	216.0
By maturity:										
Short-term	21.6	21.4	22.6	21.1	20.8	23.2	24.8	23.9	25.1	25.4
Long-term	100.5	108.1	109.4	123.5	147.5	169.4	171.8	171.3	181.1	190.6
By type of creditor:										
Official	58.7	66.1	70.7	80.9	95.7	115.1	118.5	119.8	130.6	140.1
Commercial banks	39.1	37.5	35.0	34.3	37.6	37.7	35.9	34.7	35.1	35.1
Other private	24.0	24.1	24.8	26.6	31.9	36.4	42.0	41.3	41.2	41.4
Asia										
Total debt	186.8	205.9	223.2	251.5	283.0	316.3	332.3	335.1	351.5	370.2
By maturity:										
Short-term	39.5	48.6	43.3	47.8	50.2	61.0	66.9	68.8	70.5	72.8
Long-term	147.3	166.4	179.8	203.7	234.8	255.3	265.3	266.3	280.9	297.1
By type of creditor:										
Official	74.6	82.1	87.4	101.2	115.1	133.5	142.4	144.3	154.8	166.5
Commercial banks	81.6	92.4	96.5	108.7	116.7	133.5	142.4	144.3	154.8	166.5
Other private	30.6	32.5	39.4	41.7	53.2	55.8	61.7	66.7	72.8	76.0
Europe										
Total debt	81.8	81.7	82.7	95.6	110.8	127.1	128.9	116.2	123.2	129.6
By maturity:										
Short-term	10.2	10.7	12.7	14.0	16.4	19.8	20.5	21.3	13.2	14.1
Long-term	71.6	71.0	70.0	81.5	94.4	107.4	108.4	94.9	110.0	115.5
By type of creditor:										
Official	35.7	40.0	40.4	47.8	56.0	64.8	59.8	59.3	64.3	67.6
Commercial banks	38.6	34.2	34.5	38.4	44.6	50.3	44.1	41.8	43.0	45.0
Other private	7.5	7.5	7.8	9.3	10.2	12.1	17.0	15.1	16.0	17.0
Middle East										
Total debt	113.9	124.3	129.0	137.4	147.6	159.8	165.3	167.7	176.1	180.2
By maturity:										
Short-term	49.3	53.1	52.5	54.3	56.3	61.2	63.7	63.1	64.3	66.1
Long-term	64.6	71.2	76.5	83.1	91.3	98.6	101.7	104.6	111.8	114.2
By type of creditor:										
Official	40.3	44.6	48.8	54.4	61.3	67.2	64.9	67.0	72.7	75.6
Commercial banks	43.5	48.9	46.3	47.2	49.9	55.6	56.6	59.2	59.8	59.8
Other private	30.1	30.7	33.8	35.8	36.4	36.9	43.8	44.1	44.2	44.8
Western Hemisphere										
Total debt	331.2	344.4	350.0	369.1	383.7	415.9	401.0	390.5	408.4	417.7
By maturity:										
Short-term	63.4	87.1	37.0	27.0	28.9	35.3	35.5	39.5	33.0	31.3
Long-term	267.8	297.3	322.0	342.1	354.8	380.6	365.6	350.1	375.4	386.4
By type of creditor:										
Official	40.5	48.3	57.1	67.6	80.4	98.2	105.2	110.4	121.2	138.2
Commercial banks	222.8	243.6	256.4	254.5	257.4	270.4	252.0	246.3	242.1	235.1
Other private	65.6	50.6	44.1	45.5	45.0	46.2	43.3	42.5	44.8	44.0

¹ Excludes debt owed to the Fund.

Source: World Economic Outlook - Statistical Appendix
IMF (Draft Version)