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President Bush

Current
Policy
No. 1286

Latin America's Year of Freedom



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

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

[Introductory remarks deleted. . .]

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

Over the past 12 months, it has sometimes seemed that the eyes of the world rest solely on Eastern Europe—on the miraculous transformation that has taken place there. Our friends in Latin America have watched these historic events unfold with inspiration and awe. But also, I know, with an unmistakable sense of anxiety [and] concern that our active involvement in Europe will mean a decline in US interest in Latin America.

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

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

In Central America: Nicaragua and Panama; in South America: Paraguay and Chile, all across the Americas, today more people live under freely elected governments than ever before, and we are closer

than ever before to the day when all the people of the Americas, North and South, will live in freedom.

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

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

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

I have been working to strengthen our ties. Just this year alone, I have met with Presidents Barco [Colombia], Paz [Bolivia], and Garcia [Peru], at the Andean drug summit in Cartagena. . . . Here in Washington, I have hosted Presidents Perez [Venezuela], Paz Zamora, Cristiani [El Salvador] and Endara [Panama], Collor de Mello [Brazil], Calderon [Costa Rica], and Callejas [Honduras], and Prime Minister Manley [Jamaica]. In each case, I have come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that the United States is engaged as never before in the future of this hemisphere.

Democracy and Development

While from country to country conditions differ, we know now that our challenge is to consolidate democracy and accelerate development. That means advancing the intellectual revolution now sweeping Latin America, a movement away from stale, statist doctrines; away from dictatorships of the right and left; toward democracy, free government, free enterprise; toward the true political and economic empowerment of the people.

That means encouraging, for the first time in many cases, genuine free market reform. Even in countries that claimed no kinship with communism, true free enterprise did not exist. In practice, economies were often organized to ensure the prosperity of the people in power—not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. De Soto also shows how much Lima, Peru's capital, owed its economic vitality to what he calls the "informal sector"—the thousands of independent and enterprising individuals doing business without the consent of the State.

De Soto's prescription—and mine—is to free this economic force: unleash the million sparks of energy and enterprise; let the incentive of reward inspire men and women to work to better themselves and their families.

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

We in the United States must do all we can to ensure the future of free markets in the Americas because our nation has a stake in the economic health of this hemisphere. We know that since the late 1970s, Latin America's share of all US trade dropped from 10% of all US exports, down to 7%. And yet last year, for the first time ever, two-way trade between the United States and Latin America topped \$100 billion. As that trade continues to grow, so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide a few statistics to drive home this point: Last year, the Colombian economy grew 3%; US exports to Colombia rose 9%. Mexico's economy grew 3%, and US exports to that country climbed 21%.

In Chile, with an overall growth rate of 10%, US exports increased by triple that rate—more than 30 percentage points.

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

That's why I am so pleased to report on the progress we've made this past year under the Brady plan. Mexico, Venezuela, and Costa Rica have all reached agreements with their creditors on ways to reduce their debt; ways to complement their efforts to restructure their economies along free-market lines. Because in the long term, the free market remains the only path to sustained growth.

Role of the Private Sector

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

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

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

Finally, it appears the Congress may act this week on this vital measure. For the people of Nicaragua and Panama democracy hangs in the balance. So let me say to the Congress: The fate of freedom rests

in your hands. Do the work of democracy—and pass this emergency aid package now.

Personal Stories of Freedom

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

- For 4 years, beginning in 1979, the year the Sandinistas took power, Enrique Dreyfus was head of Nicaragua's supreme council of private enterprise—a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list and landed him in prison. Today, with the Sandinistas swept from power, Enrique Dreyfus is not just free from persecution—he is Nicaragua's new foreign minister.

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

way the Sandinistas had politicized the schools. Today, Mr. Cisneros is minister of education.

- And on July 10, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police, tried, and sentenced to 6 months in prison. Today, Myriam Arguello is president of Nicaragua's freely elected national assembly.

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

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace, and prosperity we enjoy. Please keep up—more than ever—your important work in guaranteeing that democracy succeeds in this precious hemisphere of ours. ■

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Lawrence S. Eagleburger

Current
Policy
No. 1283

An Agenda to Promote Inter-American Cooperation



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

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

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

This, the 100th anniversary of the Inter-American system, is a historic occasion that comes at a time of revolutionary change throughout the world. We find ourselves in the midst of one of those revolutionary out-

bursts that, as in 1830 and 1848, occasionally have punctuated the course of human events. But there is a difference: the revolution underway today, for the first time in history, is occurring on a truly global scale.

This global revolution has one universal and defining feature: the democratic form of government has come to be recognized as the embodiment of political legitimacy. It is not a revolution that has been imposed from without; rather, the democratic idea has become irresistible precisely because it is now an indigenous force the world over, from Poland to Paraguay, and from China to Chile. It has not triumphed everywhere, to be sure; not all men and women today live under freedom and democracy. But we have reached the point where all are demanding to live under freedom and democracy as their God-given right. Democracy's ideological foes, on the left and the right, have been discredited. The political and economic systems they fashioned stand today in ruins. The

Western Hemisphere can justly take pride in having launched the epochal worldwide transition from dictatorship to democracy, first in Argentina, Brazil, Bolivia, and Ecuador, and lately in Chile, Panama, and Nicaragua. Think of the open wounds that still festered in our midst when this assembly last met only 7 months ago, and you will realize how far we have traveled toward achieving an unprecedented degree of mutual respect and common purpose among the nations of this hemisphere.

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

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

The Twin Revolutions

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

building blocks of economic integration and interdependence—trade and investment.

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

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

Ladies and gentlemen, the ties that bind my country to the nations of this hemisphere—ties of history, geography, and natural affinity—are great indeed. For more than 200 years, we have been the champions—imperfect champions—of democracy. Now that our democratic ideals are

triumphing, we face—all of us in this hemisphere face—the monumental challenge of making those ideals work in practice. For the first time, working in partnership with one another and through the Organization of American States [OAS], we, the nations of the Americas, have a unique opportunity to fashion a diplomacy among democracies in pursuit of the consolidation of democracy. The revolutionary changes through which we are passing will require more, not less, of this organization.

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

- to forge our rightful and progressive policy in a world liberated from the authoritarian state and the command economy, taking advantage of increasing global interdependence and competition for markets.
- to address the underlying causes of outstanding conflicts and defeat new threats to peace, such as those created by the traffic in illicit drugs; and
- to cooperate to preserve the natural resources of this hemisphere.

An Agenda for the Future

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

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

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

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

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

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

toward this request will be significantly affected by our success in developing a new quota system.

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

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

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

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

Third, human rights must remain at the core of our cooperative efforts. At its 30th anniversary last year, Secretary Baker saluted the Inter-

American Human Rights Commission as a pioneering organization. It is a well-established, experienced, and unique body, rightfully called the "conscience of the Americas." The United States encourages the commission to expand its activities to include technical assistance and training.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A Call to Action

The late president of Colombia and secretary general of the OAS, Alberto Lleras Camargo, said of the OAS in 1954 that, "It is what the member governments want it to be and nothing else . . . the weaknesses of the organization, if it has them, are weaknesses of the governments; weakness in their capacity to act in coordination and jointly with each other. The strength of the organization, when it is evident, lies precisely in the action of the governments." United by the practical commitment

to democracy, our governments are developing a working partnership. Partners approach each other freely and as equals, with mutual respect. Partners look to fix problems, not to affix blame. Partners accept the notion of co-responsibility. And when they disagree, they air their dialogue openly.

A heavy responsibility weighs upon this generation in the Americas. The dreams and aspirations of our forefathers for a hemisphere united in a universal commitment to democracy are finally on the verge of being realized. But history is no friend of the status quo; our democratic triumph will be short-lived if we do not meet the challenge now of making

democracy work. We in the United States believe that our national well-being is linked to the successful consolidation of democracy and the emergence of genuine prosperity throughout Latin America. We believe that through our collective efforts we can defeat the threats to democracy—drugs, debt and underdevelopment. We can do so, above all, by tapping fully the great potential of our unique hemispheric asset, our privileged forum for dialogue, cooperation, and collective action—the Organization of American States. ■

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Enterprise for the Americas Initiative



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

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

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

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

With one exception, that's the case. But the political transformation sweeping the rest of Latin America and the Caribbean has its parallel in the economic sphere. Throughout the region, nations are turning away from the statist economic policies that stifle growth and

are now looking to the power of the free market to help this hemisphere realize its untapped potential for progress. A new leadership has emerged backed by the strength of the peoples' mandate—leadership that understands that the future of Latin America lies with free government and free markets. In the words of Colombia's courageous leader, Virgilio Barco—President Barco: "The long-running match between Karl Marx and Adam Smith is finally coming to an end" with the "recognition that open economies with access to markets can lead to social progress."

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

Back in February, I met in Cartagena [Colombia] with heads of the three Andean nations. And I came away from that meeting convinced that the United States must review its approach not only to that region but to Latin America and

the Caribbean as a whole. I asked Treasury Secretary Brady to lead a review of US economic policy toward this vital region, to make a fresh assessment of the problems and opportunities we'll encounter in the decade ahead. That review is now complete, and the results are in. And the need for new economic initiatives is clear and compelling.

All signs point to the fact that we must shift the focus of our economic interaction toward a new economic partnership because prosperity in our hemisphere depends on trade, not aid. I've asked you here today to share with you some of the ideas, some of the ways we can build a broad-based partnership for the 1990s—to announce the new Enterprise for the Americas Initiative that creates incentives to reinforce Latin America's growing recognition that free market reform is the key to sustained growth and political stability.

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

Trade

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

First, as we enter the final months of the current Uruguay Round of the world trade talks, I pledge close cooperation with the nations of this hemisphere. The successful completion of the Uruguay Round remains the most effective way of promoting long-term trade growth in Latin America and the increased integration of Latin nations into the overall global trading system. Our aim in the Uruguay Round is free and fair trade.

Through these talks, we are seeking to strengthen existing trade rules and to expand them to areas that do not now have agreed rules of fair play. To show our commitment to our neighbors in Latin America and the Caribbean, we will seek deeper tariff reductions in this round on products of special interest to them.

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

I'm announcing today that the United States stands ready to enter into free trade agreements with other markets in Latin America and the Caribbean, particularly with groups of countries that have associated for purposes of trade liberalization. The first step in this process is the now-announced free trade agreement with Mexico.¹ We must all recognize that we won't bring down barriers to

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

free trade overnight; changes so far-reaching may take years of preparation and tough negotiations. But the payoff in terms of prosperity is worth every effort. And now is the time to make a comprehensive free trade zone for the Americas our long-term goal.

And **third**, I understand that some countries aren't yet ready to take that dramatic step to a full free trade agreement. And that's why we're prepared to negotiate with any interested nation in the region bilateral framework agreements to open markets and develop closer trade ties. Such agreements already exist with Mexico and Bolivia. Framework agreements will enable us to move

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

forward on a step-by-step basis to eliminate counterproductive barriers to trade and toward our ultimate goal of free trade. And that's a prescription for greater growth and a higher standard of living in Latin America and, right here at home, a new market for American products and more jobs for American workers.

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

Investment Reform

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

In one large Latin city, for instance, it takes almost 300 days to cut through the red tape to open a small garment shop. In another country, the average overseas caller has to make five phone calls to get

through, and the wait for a new telephone line can be as long as 5 years—and that's got to change.

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

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

Second, we propose the creation of a new investment fund for the Americas. This fund, administered by the IDB, could provide up to \$300 million a year in grants in response to market-oriented investment reforms in progress in privatization.

The United States intends to contribute \$100 million to the fund, and we will seek matching contributions from Europe and Japan. But in order to create an attractive climate for new investment, we must build on our successful efforts to ease the debt burden. That's the third pillar of this new Enterprise for the Americas initiative.

Easing the Debt Burden

Many nations have already undertaken painful economic reforms for the sake of future growth. But the investment climate remains clouded, weighted down by the heavy debt burden. Under the Brady plan, we are making significant progress. The agreements reached with Mexico and Costa Rica and Venezuela are already having a positive impact on investment in those countries.

Mexico, to take just one example, has already seen a reversal of the destructive capital flight that drained so many Latin American nations of precious investment resources. That's critical. If we restore confidence, capital will follow.

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

While the Brady plan has helped nations reduce commercial bank debt for nations with high levels of official debt—debt owed to governments rather than

private financial institution—the burden remains heavy. And today, across Latin America, official debt owed to the US Government amounts to nearly \$12 billion, with \$7 billion of that amount in concessional loans. In many cases, the heaviest official debt burdens fall on some of the region's smallest nations—countries like Honduras and El Salvador and Jamaica.

That's a problem we must address today. As the key component in addressing the region's debt problem, I am proposing a major new initiative to reduce Latin America's and the Caribbean's official debt to the United States for countries that adopt strong economic and investment reform programs with the support of international institutions.

Our debt reduction program will deal separately with concessional and commercial types of loans. On the concessional debt, loans made from aid or food for peace accounts, we will propose substantial debt reductions for the most heavily burdened countries. And we will also sell a portion of outstanding commercial loans to facilitate these debt-for-equity and debt-for-nature swaps in countries that have set up such programs.

Strengthening Environmental Policies

These actions will be taken on a case-by-case basis. One measure of prosperity in the most important long-term investment any nation can make is environmental well-being. As part of our Enterprise for the Americas Initiative, we will take action to strengthen environmental policies in this hemisphere.

Debt-for-nature swaps are one example—patterned after the innovative agreements reached by some Latin American nations and their commercial creditors. We will also call for the creation of environmental trusts, where interest payments owed on restructured US debt will be paid in local currency and set aside to fund environmental projects in the debtor countries.

These innovative agreements offer a powerful new tool for preserving the natural wonders of this hemisphere that we share. From the vistas of the unspoiled Arctic, to the beauties of the barrier reef off Belize, to the rich rain forests of the Amazons, we must protect this living legacy that we hold in trust. For an increasing number of our neighbors, the need for free market reform is clear. These nations need economic breathing room to enact bold reforms. And this official debt initiative is one answer. A way out from under the crushing burden of debt that slows the process of reform.

Conclusion

I know there is some concern that the revolutionary changes we've witnessed this past year in Eastern Europe will shift our attention away from Latin America. But I want to assure all of you here today, as I've assured many democratic leaders in Central and South America and the Caribbean, and Mexico, the United States will not lose sight of the tremendous challenges and opportunities right here in our own hemisphere. And

indeed, as we talk with the leaders of the G-24 about the emerging democracies in Europe—I've been talking to them also about their supporting democracy and economic freedom in Central America. Our aim is a closer partnership between the Americas and our friends in Europe and in Asia.

Two years from now, our hemisphere will celebrate the 500th anniversary of an epic event, Columbus' discovery of America, our New World. And we trace our origins, our shared history to the time of Columbus' voyage and the courageous quest for the advancement of man. Today, the bonds of our common heritage are strengthened by the love of freedom and a common commitment to democracy. Our challenge, the challenge in this new era of the Americas is to secure this shared dream and all its fruits for all the people of the Americas—North, Central, and South.

The comprehensive plan that I've just outlined is proof positive the United States is serious about forging a new partnership with our Latin American and Caribbean neighbors. We're ready to play a constructive role at this critical time to make ours the first fully free hemisphere in all of history. ■

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt and Growth in Latin America and the Caribbean

Background

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

Debt-Related Problems

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

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

In March 1989, the US announced several proposals to strengthen the international debt strategy by encouraging voluntary, negotiated debt and debt service reduction as a complement to commercial bank lending, domestic and foreign investment, and return of flight capital in middle-

income debtor countries. These measures support policy changes needed for sustained growth and improved living standards for the people of Latin America and the Caribbean.

Economic Stabilization and Structural Adjustment

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

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

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



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

International Efforts To Encourage Growth

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

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

Further Information

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

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Office of the Assistant Secretary/Spokesman

For Immediate Release

June 18, 1990

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

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

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

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

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

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

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

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

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

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

Any questions?

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

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

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

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

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

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

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

Q: In order to cooperate in this disarmament effort is the United States willing to reduce its military aid to El Salvador, for instance, and the presence of its military advisors?

SECRETARY BAKER: Well, the United States only has 55 advisors there and that's the same number we had, if I'm not mistaken, when I first came to Washington with President Reagan in 1981. But further to the point of your question -- the United States is for the first time willing to condition its military assistance to El Salvador and we are in the process of having discussions with our Congress to that effect now. We should be careful not to interpret that in the wrong way. There is a major insurgency going on in El Salvador in which some are seeking to reverse the results of the ballot box with bullets and bayonets. That's not our idea of democracy and that's not our idea of an approach to freedom.

Q: Mr. Secretary, you mentioned the Soviet Union and I would like to ask you what might be the political and economic contribution of the Soviet Union to the development of Central America to which the United States and the other countries in the G-24 are going to be contributing?

SECRETARY BAKER: Well, hopefully, the Soviet Union will stop supporting regimes in this hemisphere that support attempts to reverse decisions at the ballot box with bullets and bayonets, as I said a moment ago. The Soviet Union has indicated to us that they are prepared to do this, and so we hope that's one contribution. We think it was a contribution with respect to what happened in Nicaragua. We've had discussions with the Soviet Union about the prospects of their continuing the assistance to Nicaragua that they furnished during the period of time of the Sandinista government. We make the point that it would be nice to see them support a freely, democratically elected government in this hemisphere since they themselves now profess to support the idea of democratization. We'll see whether or not they're able to do that although they've indicated to us some prospect that they will be able to continue some assistance to this freely elected democratic government in Nicaragua.

Q: Thank you.

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Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

December 3, 1990

REMARKS BY THE PRESIDENT
TO BRAZILIAN BUSINESS COMMUNITYAmbassador's Residence
Brasilia, Brazil

1:48 P.M. (L)

THE PRESIDENT: Thank you, Ambassador, for your introduction and for your hospitality, you and Peggy. I seldom speak on behalf of a group of Brazilian businessmen, but thanks for the hospitality at this luncheon, too. We're delighted to be here. Let me salute the Minister of Justice, Your Excellency; and the Minister of the Economy who is with us; the Minister of Agriculture who is with us. I just want to say thank you to all the guests, some who've come from a long, long way. I want to salute the Minister of the Infrastructure who is here; and each and every one of you.

I'm delighted to be here today, as was Secretary Mosbacher last spring, with some of this nation's most distinguished business leaders to discuss very briefly our dynamic bilateral relationship and our relationship with the rest of the major trading nations of the world. I'm delighted that Secretary Brady, our Secretary of the Treasury, is with us here today.

The success of this economy -- he and I agree on this -- the success of your economy, the world's eighth largest, is truly vital to the well-being of all nations in the Americas. In talking with your President -- your able President -- my friend, this morning, President Collor, I was impressed with his vision of a "Brazil Novo." He is determined that this great country will grow and prosper throughout the 90s. He believes that, with a market economy, Brazil will take its rightful place at the first table of nations. And I wholeheartedly share that view.

This morning, I was deeply honored to be able to speak before a joint session of your Congress, and I spoke there of the daunting task that awaits us. The construction of a new economic relationship for the whole Western Hemisphere. Our shared future is borne of the triumph of democracy in this hemisphere and is directed towards the next, necessary steps: raising the standard of living and expanding the economic opportunity of all the people in Latin America. I call this initiative the "Enterprise for the Americas" -- a vision of a community of the Americas, free of barriers to trade and investment, and free of the burden of debt.

The United States is Brazil's largest investor and trading partner. And we are excited at the prospect of a growing market economy in Brazil. We recognize that it is the private sector that is the locomotive for economic growth. As business leaders and entrepreneurs, your role in building a more open market in Brazil has been, and will be, a key part of our growing trade relationship.

This week in Brussels, trade ministers are meeting over there for the final negotiation of the Uruguay Round. The U.S. and Brazil agree on the need to phase out agricultural subsidies. Taken with our progress on the other ambitious topics of the negotiation, a success at the GATT in Brussels will represent new market opportunities and more profits for Brazilians. We just have to be successful in this GATT round.

MORE

You, more than most, know that the dead hand of state control has got to be lifted to unleash the creativity of entrepreneurs and business leaders such as those represented here today; yourselves. And to give your businesses the flexibility to adapt to changing markets. The U.S. has already invested almost \$15 billion in this country, and Brazilians know what foreign investment can help produce: meaningful jobs for your workers and expanded goods and services for your customers.

The first steps to implement the Enterprise for Americas Initiative are already underway. The nations of Brazil, Argentina, Uruguay, Paraguay and the United States are drafting now a framework agreement to make its principles a reality.

I urge each and every one of you to stand with us in support of this enterprise. To stand with us on the side of the future. And on the side of order and progress -- as the flag of Brazil reads -- and the changes to come.

In the short run, economic change will be difficult and painful for many. But the long-term results -- a growing economy and a sound currency -- will lead to new opportunities and a better quality of life for all the people of Brazil and, indeed, for the rest of the hemisphere. That is what your President meant with his vision of economic growth for the "Brazil Novo."

In the 19th century, Brazilians declared their independence from the old world and founded their republic. And now, as we approach a new century, we embark on what I see as a voyage of rediscovery. Brazilians have joined a move toward greater prosperity and freedom for the people of this hemisphere. Toward a new dawn for the new world.

Well, I just want to say thank you, then, to all of you for participating in this. We need your help to make all of these dreams come true. I want to thank you for the warm welcome in this receiving line. You do make me feel welcome here in Brazil, and I am delighted to be back. God bless you all, and you're a wonderful nation of Brazil. Thank you all very much for coming. (Applause.)

END

1:55 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

December 3, 1990

REMARKS BY THE PRESIDENT
TO THE JOINT SESSION OF THE BRAZILIAN CONGRESS

Brazilian Congress Building
Brasilia, Brazil

11:28 A.M. (L)

THE PRESIDENT: Mr. President of the National Congress; and Mr. President of the Chamber of Deputies; and to our two most articulate speakers, Senator Tito and Deputy Fiuza; and Mr. Acting President of the Supreme Court; esteemed Papal Nuncio; and members of the diplomatic corps; Mr. Archbishop; Honorable Ministers of State and Governors of the Federal District; and honorable deputies and senators. It is a privilege, it is an honor to join you in this great hall of democracy.

My thoughts today could have no better forum than this National Congress -- my words, no better audience than the people of Brazil. We meet at an extraordinary moment in our shared history. A time of serious challenges and important choices that calls for mutual respect, candor and collective will. I've met with many Latin and Caribbean leaders. And beyond any single issue that we've discussed, all of us have been galvanized by a new era of hope and opportunity throughout the Americas -- especially here in Brazil.

By pioneering bold new economic reforms and consolidating its democracy, Brazil today is poised to enter the 21st century as a leader among nations. That is a tribute to a leader whose friendship and vision I value and respect -- a man who represents a new generation of democratic leadership now sweeping across Latin America -- your dynamic new President, Fernando Collor de Mello.

President Collor has spoken eloquently of Brazil's rightful place at the table of the First World -- and I agree. I believe it is time, in fact, to end the false distinctions between the First World and Third World that have too long limited political and economic relations in the Americas. Let us instead speak of the New World.

This hemisphere has always found strength in diversity. After all, here I stand, addressing Portuguese speakers in English, because of an Italian sailing on behalf of Spain five centuries ago. What we hold in common transcends borders and translates into any language. The nations of the Americas all struggled and gained independence from the old ways of the Old World -- ended the injustice of slavery and colonialism -- and built republics of promise and renewal around the dignity and the power of the individual and the rule of law.

Now, as we approach the 500th anniversary of Columbus' discovery of Americas and the arrival of Cabral's Portuguese fleet in Brazil, this is our moment to chart the course for the New World -- a course of freedom, a course of democracy, a course of prosperity. We've all witnessed in wonder the dawn of democracy in Eastern Europe. But in the Americas, we, too, have seen extraordinary political and economic change that is transforming the face of this hemisphere; nowhere more so than right here, no more more so than in the great nation of Brazil. The changes you are carrying out in your

MORE

economy reducing the size of the state, privatizing enterprises, combating inflation and liberalizing trade, are the keys to growth and prosperity in the global economy of the 21st century -- whose outlines we already see today. I am here to tell you that you are not only on the right path, but the United States wants you to succeed and supports your efforts every step of the way. I believe that we've just begun to press forward, toward the real promise of the Americas.

Territories may end at borders, but mankind's capacity for progress knows no bounds. Continents may end at the water's edge, but human potential knows only those limits set by human imagination. The Americas' role in the world is not defined by geography. It is defined by its people and its ideals. I truly believe that we are approaching a new dawn in the New World.

Our thinking must be bold; our will, resolute. Our challenge now is to hew out of a wilderness of competing interests a new kind of opportunity in the Americas. To fulfill the New World's destiny, all of the Americas and the Caribbean must embark on a venture for the coming century: to create the first fully democratic hemisphere in the history of mankind. The first hemisphere devoted to the democratic ideal -- to unleash the power of free people, free elections, and free markets.

Two weeks ago in Czechoslovakia, I spoke to a people that had paid dearly for its freedom. I talked about a new commonwealth of freedom, based on four key principles. This hemisphere already shares these convictions: an unshakable belief in the dignity and rights of man; the conviction that just government derives its power from the people; the belief that men and women everywhere must be free to enjoy the fruits of their labor; and, four, that the rule of law must govern the conduct of nations. Every nation that joins this commonwealth of freedom advances us one step closer to a new world order. We must persist until this victory for freedom and democracy is won completely.

It is also within our power to make this hemisphere the largest free-trading partnership of sovereign nations in the world. From the northernmost reaches of Canada to the tip of Cape Horn. We see a future where growing opportunity, the power of technology and the benefits of prosperity are developed and shared by all.

Change will not come easily. Economies, now dependent on protection and state regulation, must open to competition. The transition, for a time, will be painful. Many in the Americas will have to make serious adjustments to compete with Southeast Asia and to take advantage of the European market after 1992. But we are confident that solutions will be found --- by Brazilians, by Chileans, by Venezuelans -- by all of the Americas.

And the results -- growing economies and sound currencies -- will bring unprecedented prosperity and growth for all our citizens to share. That was the vision of the Enterprise for the Americas Initiative that we announced last June. And Deputy Fiuza, I listened very carefully to your strong speech in this regard. And I thank you for those frank and forceful comments. The initiative calls for a major hemispheric effort to unify the New World in the three key areas of trade, investment, and debt.

In trade, our first priority should be to promote long-term growth. And the most effective first step is the successful conclusion of the Uruguay Round, now in its final stages in Brussels. An end to export subsidies on agricultural goods and new openings for developing country exports mean new market opportunities and a higher standard of living for the farmer in Para, the textile worker in Santa Catarina, and the engineer in Sao Paulo.

But the Uruguay Round and bilateral trade agreements are only first steps. The Southern Cone Common Market, now developing under the leadership of your President and his colleagues in neighboring countries, is another major step toward the world's first

hemispheric free trade zone.

To promote new investment in the Americas, the dead hand of state control must be lifted. We must allow entrepreneurs the flexibility to adapt, create, and produce. So, as we chart a course for the future of the New World, let us hold firmly in our minds an unshakable conviction in the importance and benefit of free enterprise. Let us work together so that any man or woman who wants to launch a new enterprise views the state as an ally, not as an obstacle -- and all who pursue the fruits of the free market see other nations not as threats to sovereignty, but as partners in trade and mutual prosperity.

Individuals cannot succeed if government is burdened by debt. So the third leg of our Enterprise for the Americas Initiative is a comprehensive commitment to work with Brazil and others in Latin America to restructure U.S. official debt. Our new approach to official debt will complement commercial debt restructuring through the Brady Plan. I understand the importance to Brazil and, indeed, to the international financial community of reaching a new and effective agreement on commercial debt. I believe, through your program of economic reform, you have taken the first crucial step toward that goal. Global capital flows will be vital to your development, and we are ready to assist wherever possible.

We've submitted a request to our Congress for the authority to implement our proposals. But we know that real solutions must involve all of us in the Americas. That's why we envision a permanent partnership between all the nations of the Americas, to confront challenges that know no borders. We envision a hemisphere where a collaborative commitment is shared to protect our environmental legacy. There can be no sustained economic growth without respect for the environment. That's why the Enterprise for the Americas Initiative joins environmental protection with bilateral debt relief -- not as a challenge to national sovereignty, not as a challenge to the sovereignty, in this case of Brazil, but as an affirmation of shared international interests.

Senator Tito -- and I do appreciate, sir, your using this podium for a frank exchange here -- talked about partners in growth, I believe you said, sir -- partners in growth rather than shareholders of misery. That is what you want, and that is what we want.

I encourage Brazil and other creditor nations to convert debt into funds for the environment. The entire world stands in awe of Brazil's unique endowment of wildlife, trees and plants in the Amazon and the Atlantic rain forests. No nation on Earth -- none -- is as rich in flora and fauna, with all of their potential to provide future medicines and foods, and crops and fibers. Your hosting of the United Nations Conference on Environment and Development in 1992 places Brazil in a position of true global leadership. We hope that conference will mark the culmination of a number of initiatives to protect and wisely utilize the world's resources.

We also are challenged to make ours a hemisphere where sovereign nations are joined in collective determination to eradicate the disease of drugs. On this one, the time for blame is long over. We in the United States recognize that we must do more to reduce what seems to you as insatiable demand. And you understand that the spreading tentacles of the drug trade threaten any democratic society.

President Collor has taken a strong position against drugs for the sake of youth in Brazil. I know full well it is a demand problem as well as a supply problem for my country; and I pledge the full efforts of my government to continue to dampen demand. There is only one answer to the drug problem in this hemisphere. And that is to defeat these narco traffickers who prey on our children -- once and for all.

And finally, in this era of great challenges around the

MORE

world, we want the Western Hemisphere to be a model to the world for security, stability, and peace.

Together, let us ensure that this hemisphere stands united to prevent the spread of nuclear weapons or new, more dangerous, ballistic missiles anywhere in the world. We hope that all countries in this hemisphere will follow Brazil's and Argentina's recent decision to bring the nonproliferation treaty, Tlatelolco, into force. I want to applaud, as many other nations have done, the recent announcement by Brazil and Argentina that together they will ensure that no nuclear program in their countries is used for anything but peaceful purposes. We applaud your decision to move forward on full-scope nuclear safeguards.

But your leadership today goes beyond this hemisphere. Just as Brazil made valiant contributions to the cause of freedom in World War II, you were among the very first to implement the sanctions against Iraq. I realize the sacrifices that Saddam's brutality has caused this nation and its people -- has caused many nations around the world. In this country, I was told this morning, the impact -- \$5 billion in higher oil prices alone for one year -- \$5 billion to your economy, struggling to move forward, because of the brutality and the aggression of Saddam Hussein. In Czechoslovakia, a country that knows about aggression, Vaclav Havel told me, \$1.5 billion just because of the aggression of Saddam Hussein. I salute your leadership in the world's community and united stand against Iraq's aggression and in defense of the rule of law.

Our nations, long ago, achieved independence from the Old World. And so now let us work toward a new declaration of interdependence among the American nations of the New World. If, as Jose Bonifacio once said, "Brazilians are enthusiasts of a beautiful ideal," let us not limit the New World's potential with old thinking. After the half millennium we've had in this hemisphere to form our nations and find our way, let the nations of the Americas now fulfill their common potential.

Standing on this central plateau, soon to be the seat of great decisions, President Kubitschek said this: "I look once again at the future of my country and see this dawn with unyielding faith and unlimited confidence in its great destiny."

My friends, our neighbors, let the new dawn come to Brazil and to the New World, and let us fulfill the promise of these great lands.

Thank you very much. And may God bless the people of Brazil. Thank you very, very much. (Applause.)

END

11:50 A.M. (L)

THE WHITE HOUSE
WASHINGTON

October 28, 1990

MEMORANDUM

TO: DAVID DEMAREST
CHRIS WINSTON

SPEECHWRITER/RESEARCHER TO BE ASSIGNED

FROM: CAROLYN CAWLEY

SUBJECT: PREADVANCE TO MONTERREY, MEXICO

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

The proposed schedule is as follows:

November 26, 1990

11:45 a.m. Arrive Monterrey, Mexico.
Welcomed by Foreign Minister Solano

12:00 p.m. Helicopter departure to Agua Leguas, hometown of
President Salinas

12:30 p.m. Meet President and Mrs. Salinas at an
informal arrival

12:50 p.m. Rodeo demonstration at the local corral

1:45 p.m. Barbecue for the townspeople hosted by
President Salinas. 5000 attendees expected.
Very brief remarks -- Hello, thank you for
the hospitality, etc.

3:15 - Downtime and private meetings
5:00 p.m.

5:00 p.m. Depart for Monterrey

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

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

6:30 p.m. End of official day

November 27, 1990

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

9:20 a.m. Expanded bilateral meetings

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

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

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

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

2:30 p.m. Arrive Airport

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

PREADVANCE NOTES -- MONTERREY, MEXICO

Contacts:

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

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

Notes of Interest:

The Agua Leguas Rodeo and Barbecue:

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

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

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

- Benito Juarez is known as the Father of Mexico. The dedication ceremony room at the Palace is named for him.
- You may also want to check up on Octavio Paz, recent Nobel Prize winner for literature. I was told he is very popular with the Mexican people and also very quotable for POTUS.
- A major landmark in Monterrey is Saddle Mountain. It does resemble a saddle and is visible from virtually everywhere. See photos.
- Note that Monterrey is a very small city that is far from everything else in Mexico. It's flat, but surrounded by hills. The countryside around it is almost desert-like, strewn with sagebrush and tumble weed. The land between Monterrey and Agua Leguas is virtually unpopulated, except for shack once in a great while.

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

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

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

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

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

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

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

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

THE WHITE HOUSE

WASHINGTON

OCTOBER 27, 1990

MEMORANDUM

TO: DAVID DEMAREST
CHRISS WINSTON

MARK LANGE
ED MCNALLY
DAN MCGROARTY
CURT SMITH
MARY KATE GRANT
MARK DAVIS
BETH HINCHLIFFE

PEGGY DOOLEY
BOB SIMON
CAROL BLYMIRE
TED GARMEY
JENNIFER GROSSMAN

FROM: CAROLYN CAWLEY *cc*

SUBJECT: PRE-ADVANCE TO SOUTH AMERICA AND MEXICO

ATTACHED:

- o Summary of speeches for the trip
- o Proposed itinerary
- o Preadvance notes

NOTE: Mrs. Bush will accompany POTUS on the trip. She will have her own activities, but she is expected to attend all the speeches to Congress and the State Dinners.

Secretary and Mrs. Baker will also travel with POTUS.

I. SUMMARY OF SPEECHES FOR THE PRESIDENT'S TRIP TO SOUTH AMERICA

Brasilia, Brazil

- Address joint session of Congress;
- American Embassy community Greeting;
- Remarks at luncheon for Brazilian business community hosted by POTUS;
- State Dinner toast.

Montevideo, Uruguay

- Address joint session of Congress;
- American Embassy community Greeting.

Buenos Aires, Argentina

- Address joint session of Congress;
- State Dinner - brief remarks;
- American Embassy community Greeting.

Santiago, Chile

- Address joint session of Congress;
- State Dinner toast;
- Remarks at breakfast hosted by the Chilean/American Chamber of Commerce;
- American Embassy community Greeting.

Caracas, Venezuela

- State Dinner toast;
- Remarks at luncheon hosted by the Venezuelan/American Chamber of Commerce;
- American Embassy community greeting.

NOTE:

Arrival and departure statements are TBD. If statements are required, they will probably be in Brasilia (first stop) and Caracas (last stop).

PROPOSED ITINERARY FOR THE TRIP OF THE PRESIDENT
TO SOUTH AMERICA

DECEMBER 2 - 8, 1990

Sunday, December 2

9:00 p.m. Depart Andrews AFB en route Brasilia, Brazil

Monday, December 3

8:15 a.m. Arrive Brasilia Int'l Airport

8:40 a.m. Arrive Planalto Palace

-- Arrival Ceremony
21-gun salute
Anthems
Review of troops

-- One on One meeting with President Collor

-- Expanded Bilateral Meeting

-- Joint Press Availability

11:15 a.m. Arrive Brazilian Congress Building

-- Address joint session of Brazilian Congress
TelePrompted
Simultaneous interpretation

12:35 p.m. Arrive U.S. Embassy

-- American Embassy community Greeting

1:25 p.m. Arrive Ambassador's Residence

-- Luncheon for Brazilian business community
hosted by POTUS. Brief remarks.

8:30 p.m. Arrive Foreign Ministry

-- State Dinner. Toast.

RON Brasilia

Tuesday, December 4

- 8:30 a.m. Arrive Brasilia Int'l Airport
-- Departure Ceremony
- 12:30 p.m. Arrive Carrasco Airport, Montevideo, Uruguay
-- Arrival Ceremony
21-gun salute
Anthems
Review of troops
- 1:20 p.m. Arrive Edificio Libertad
(President's office building)
-- One on One meeting with President Lacalle
-- Expanded Bilateral Meeting
-- Joint Press Availability
- 3:30 p.m. Arrive Legislative Palace
-- Address joint session of Uruguayan Congress
TelePrompted
Simultaneous translation
- 4:40 p.m. Arrive U.S. Embassy
-- American Embassy community Greeting
- 6:15 p.m. Arrive Punta del Este
--Private Dinner hosted by President and
Mrs. Lacalle

RON Punta del Este

Wednesday, December 5

- 8:15 a.m. Private Breakfast with President and Mrs. Lacalle
- 10:00 a.m. Arrive Carrasco Int'l Airport, Montevideo
--Departure Ceremony
- 11:35 a.m. Arrive Ezeiza Int'l Airport Buenos Aires, Argentina
- 12:00 p.m. Arrive Aeroparque ((chopper over))
-- Arrival Ceremony
21-gun salute
Anthems
Review of troops
Presentation of Key to City
- 12:35 p.m. Arrive Plaza de San Martin
-- Wreathlaying Ceremony
- 12:50 p.m. Arrive Casa de Gobierno (House of Government)
-- One on One meeting with President Menem
-- Greeting of Diplomatic Corps
-- Working luncheon with President Menem
-- Joint press availability
- 3:30 p.m. Depart for Palacio de Congreso (Palace of Congress)

POTUS' limo will be escorted by Grenadiers (Argentine mounted soldiers) at a parade pace.
- 3:50 p.m. Arrive Palacio de Congreso
-- Address joint session of Argentine Congress

** TelePrompted ** ((John Keller told me that there may some difficulty in TelePrompter space. The only place for it is a small recessed area in front of and below the podium -- but this where they want to put the press travel pool. Apparently this decision will be left to Demarest and Fitzwater.))

Simultaneous interpretation

7:55 Arrive Sociedad Rural
-- Rodeo and cultural demonstration
-- Informal greeting of Supreme Court justices
-- State Dinner
Brief remarks

RON Buenos Aires

Thursday, December 6, 1990

8:50 a.m. Ambassador's Residence
-- American Embassy Community greeting

9:25 a.m. Arrive Aeroparque
-- Departure Ceremony

11:30 a.m. Arrive Arturo Merino Benitez Airport
Santiago, Chile
-- Arrival Ceremony
Full Honors

12:15 p.m. Arrive President Aylwin's private residence
-- Working luncheon with President Aylwin
-- Joint press availability

3:25 p.m. Arrive Chilean Congress Building
Valparaiso, Chile
-- Arrival Ceremony
Honor Guard (from the Naval Academy; will line
the street outside the building)
Anthems
Review of troops
-- Address to joint session of Chilean Congress
TelePrompted
Simultaneous interpretation

8:40 p.m. Arrive La Moneda Palace
Santiago, Chile

- Ceremonious Arrival
Honor Guard
Review of troops
Fanfare
- Private meeting with President Aylwin
- State Dinner. Toast.

RON Santiago, Chile

Friday, December 7

7:55 a.m. Arrive Holiday Inn Crowne Plaza Hotel

- Breakfast hosted by the Chilean/American Chamber of Commerce

Brief remarks (@ 8:10 a.m.)
TelePrompted

9:25 a.m. Arrive Ambassador's Residence

- American Embassy community Greeting

10:30 a.m. Arrive Airport

- Departure Ceremony

4:10 p.m. Arrive Simon Bolivar Int'l Airport
Caracas, Venezuela

- Arrival Ceremony
21-gun salute
Anthems

7:40 p.m. Arrive La Casona

- Private meeting with President Perez
- State Dinner. Toast.

RON Caracas, Venezuela

Saturday, December 8

9:15 a.m. Arrive Pantheon
(Tomb of Bolivar and other national heroes)
-- Wreathlaying Ceremony

9:55 a.m. Arrive Miraflores Palaces
-- One on One meeting with President Perez
-- Expanded Bilateral Meeting
-- Joint press availability

12:30 p.m. Arrive Hilton Hotel
-- Luncheon hosted by the Venezuelan/
American Chamber of Commerce (VENAMCHAM)
Remarks
TelePrompted

2:20 p.m. Arrive Ambassador's Residence
-- American Embassy community Greeting

3:35 p.m. Arrive Simon Bolivar Int'l Airport
-- Departure Ceremony

4:00 p.m. Depart en route Andrews

7:05 p.m. Arrive Andrews AFB

PREADVANCE NOTES -- BRAZIL

Address Joint Session of Congress

- Monday, December 3 @ 11:35 a.m.
- TelePrompted
- Simultaneous Interpretation
- 1200 attendees: Senators, Deputies, Cabinet ministers, Supreme Court justices, Governors of the Districts, military commanders, members of the diplomatic corps, religious leaders, university presidents, etc.
- The session will open while POTUS is in the holding room (National anthem of Brazil, 1 speech by a Senator, 1 speech by a Deputy). POTUS will enter and there will be 6 minutes of hymns followed by three speeches:
 - Senator -- 15 minutes
 - Deputy -- 15 minutes
 - POTUS -- 15 - 18 minutes allottedSession will close by the President of the Congress.
- See photos of the building exterior the domes are very symbolic. The inverted dome atop the Deputies Chamber means that everything starts in the House and the cup is open to the ideas of the people. Laws begin there.
 - The dome atop the Senators Chambers means that the Senate is the final cap, laws become final -- the "lid".
- Check Kubiscek quote chiseled in marble at entrance. (in Portuguese)
- The bicameral National Congress consists of 78 Senators (three for each state and the Federal District) elected to 8 year terms. 495 Deputies elected at large in each state to 4 year terms. The elections are based on proportional representation weighted to favor less populous states. The next elections are scheduled for November, however the newly elected members will not take their seats until January, after POTUS' visit. Suffrage is compulsory for ages 18 - 70.

State Dinner -- Toast

- Monday, December 3 @ 8:30 p.m.
- The Foreign Ministry Building, Brasilia Room. See photos.
- 260 guests
- The Brazilian Chief of Protocol asked that we keep the President's remarks under 8 minutes. (I told him not to worry!)
- The main entrance to the building will be flanked with honor guards. Then POTUS will ascend the "floating staircase" (see photos) and be ceremoniously greeted by the President and Mrs. Collor. Cocktails in the anteroom (see photos)-- the "Dortinari Room" (named for a famous modern artist. State dinner in the Brasilia Room; one wall is covered with a mammoth textile/macrame piece of art. The artist, Roberto Burle (BOOR lay) Marx, is well known for his designs, particularly in gardening and landscapes. He did the gardens at the Palace and at the US Embassy. -- I'll try to find out more about him.

Embassy Greetings

- Monday, December at 12:35 p.m.
- US Embassy - Brasilia, small auditorium
- 450 attendees: embassy personnel, Brazilian staffers, families, Americans from the area

- Brasilia is really an artificial capital, carved out of the land 30 years ago when the government decided the nation's capital should be centrally located. (It had been on the southeastern coast, in Rio.) The city has quite an "outpost" feel about it, and I'm told this is a pervasive feeling, especially for the embassy people. Brasilia is far from everything and to "go anywhere, you have to go through Rio"! There could be a joke there, like the infamous Atlanta anecdote: You have to go through Hartsfield (Atlanta's big airport) to get to heaven!

- The US as first country to establish an Embassy in Brasilia. The site, donated by the government of Brazil was officially selected by Secretary of State John Foster Dulles when he visited in 1958 with President Kubiscek. The site was first occupied in 1960 by a portable house trailer. President Eisenhower laid the symbolic cornerstone of the Chancery during his visit.

The inside patio was designed by the famous Brazilian landscape artist Roberto Burle Marx -- also the artist of the hanging textile work at the State Dinner site.

Luncheon for Brazilian Business Community Hosted by POTUS:

- Monday, December 3 @ 1:25 p.m.
- Ambassador Melton's residence -- back patio by pool or the indoor dining room
- Brief remarks
- Approximately 100 attendees

- I have copies of 3 proposed guest lists, TBD by the Embassy. They are pretty much the same. Guests will include various Ministers of the Brazilian government -- Infrastructure, Economy, Foreign Affairs, Justice, Environment; some Congressional leadership; and leaders in the business community such as the US-Brazil Business Council, Citibank, General Motors, American Express, McDonalds, Union Carbide. Also well as representatives from such international organizations as the World Bank and the InterAmerican Development Bank.

- Contact: Kevin Brennan
Embassy Commercial Counselor

Planalto Palace -- Arrival Ceremony, Meetings -- No Remarks

--Candangos is the nickname of the hardy pioneers who built the city; sort of like our Pilgrims. In front of Planalto Palace (site of arrival, one on one meeting and bilaterals; located on 3 Powers Plaza along with the Congress building) is a "Candangos" statue. The statue of two figures is officially called "the Two Warriors" but is more commonly referred to by the nickname. It's the work of famed sculptor Bruno Giorgi.

-- Across the street from the Palace is the "Pantheon of the Fatherland" also known as the Pantheon to Liberty and Democracy, with an eternal flame. See photos. of inverted triangles.

Tancredo Neves was elected in 1985 but died before taking office and the Pantheon was erected in his honor. His entire life embodied the struggle for democracy. Neves is a hero figure today, known as the man who restored democracy in Brazil after twenty years of military rule.

-- The area is known as "3 Powers Square"... Planalto Palace, the Supreme Court, the Congress Building plus the Pantheon.

Other Notes on Brazil:

- Brazil gave birth to the Lambada, the forbidden dance.
- Stay away from calling Collor "Indiana Jones". POTUS already called him this once -- it was cute for awhile, but it's a sensitive subject now. President Collor has eased back on his weekend daredevilery, in large part because his mother launched a national campaign to get him to stop. The weekend that we were there however, he drove Ferrari at 140 mph down the highway. In sum, Collor still does all the stuff but in low profile. It's OK to jest him about it, but don't refer to him as Indiana Jones.

--HISTORY:

Brazil has been independent since September 7, 1822. It is a Federative Republic with broad powers granted to the federal government. Collor is the first popularly elected President in almost 30 years. (coincidentally, Brasilia is about 30 years old as well.) Collor succeeded Jose Sarney, the first civilian President after 21 years of military rule.

--Brasilia:

Situated roughly in the center of Brazil, high on the inland plateau termed the "planalto", Brasilia was officially inaugurated on April 21, 1960. However as an idea it dates back three centuries to the dreams of the new world empire by the Italian monk, Dom Bosco (after whom many places in Brasilia are named).

Brasilia is also the product of the early Portuguese settlers for a safe inland capital away from the poor climate and military invasions so prevalent on the coast. The Portuguese Court in Lisbon ordered that studies be conducted concerning the capital location, but nothing was done until 1955. Former President Juscelino Kubiscek promised in a now famous campaign speech that, if elected, he would build the new capital within his 5 year term.

He was elected and kept his promise. Actual construction was begun in 1957 around the clock and the city was completed in 1960.

The men responsible for the rising of Brasilia are the architect Oscar Niemeyer and engineer Lucio Costa. Niemeyer designed all of the principal buildings and still holds veto power over new construction. Costa planned the layout of the city itself, the "Plano Piloto", choosing to make it look from the air like an airplane, a symbol of progress. The city is laid out like a plane, with a main body, wings, etc.

At the intersection of the main axes is the bus station, called the "rodoviaria", truly the center of the city in its early years, as workers and their families arrived from all parts of Brazil seeking opportunity in the fledgling capital.

In the cockpit of the plane is the Praca dos Tres Poderes (3 powers plaza).

--Sights

- o President Medici Sports Center A sports stadium which holds 42,000 spectators, plus a gym for 25,000. Maybe there's a joke in here.
- o Rogério Pithon Farias Park Reputed to be the largest city park of any capital in Latin America. Covers 4 million meters square.
- o The Cathedral The shape of the Cathedral represents Christ's crown of thorns. The pillars symbolize the states of Brazil supporting the crown, which is set into the ceiling disk. The main entrance leads under ground through a shadowy tunnel, meant to prepare churchgoers by meditation and self-examination for emergence into the sunny circular church.

-- The Brazilian flag has the words "Ordem y Progreso" on it -- "order and progress" in accordance with the positivist philosophy of its fathers.

-- Brazil got a new constitution in 1988.

-- On the economy and other issues:

- o Avoid comparisons between Brazil and Mexico.
- o The US hopes for Brazil and Argentina to become signatories of the Treaty of Tlatelolco, a nuclear limitation agreement. POTUS has telephoned Collor several times on this issue.
See Collor's recent UN speech.
- o Debt: A few weeks ago, Brazil had a major proposal to restructure their debt payments. In overview, they'll issue 3 kinds of bonds in exchange for their debt commitment. They'll sell these back to the governments and banks they owe at various auctions. They'll be paying the principal ahead of the interest.

CONTACTS:

- John Keane, Political Counselor (**)
- Cultural Section: Luzia and Marcillo
- Gordon Jones, Economic Counselor
- Bob Jordan, PAO

PREADVANCE NOTES -- URUGUAY

Contacts:

Kate Jarvis -- Embassy Information Officer
John Jurecky -- Charge d'Affaires; Control Officer
for Joint Session event

Notes of interest:

- Eisenhower visited Uruguay on his big South America trip.
- Johnson also visited in 1967.
- On the outskirts of Punta del Este is a large park popular for camping named "FDR Park".

- The Foreign Service Institute in Rosslyn has a good library where you can find books on Uruguayan history and culture in English.

- Uruguay is known for her friendly people and the pervasive air of tranquility.

- The Uruguay Round of GATT began here in 1987 at Punta del Este. The current GATT round will be underway beginning December 3 in Geneva.

- JOSE ARTIGAS
National hero of Uruguay -- their George Washington.

His statues are located all over the city of Montevideo; the main one is his tomb at Independence Plaza downtown. His statue also stands outside the Edificio Libertad, the site of meetings and bilats on this trip. See photos of both.

- The Pope visited Uruguay in 1987 or 1988. A giant crucifix was erected in his honor and he held a Mass for thousands there. I was told that Uruguay is a Catholic country in name only.

- Uruguayans are big fans of basketball and soccer (futebol). They have fielded many World Cup players and have several citizens playing in the professional European leagues.

- Jose Rodo was a major literary figure. The park near the Embassy bears his name. Most of the streets in Montevideo are named for famous figures in their history. George Washington an important figure -- and his statue stands near the Embassy on a main thoroughfare.

Embassy Greetings

- o Tuesday, December 4 @ 4:40 p.m.
- o The main entrance hall of the Embassy
- o Approximately 300 attendees -- Embassy personnel, Uruguayan staff, families, possibly Americans from the area.

- o They have been waiting for several months for their Ambassador-designate to be confirmed (since April?). It's hoped that he'll be on post by the time of POTUS' visit. If he's not, this has definite joke potential. If he is, you could still use it.

- o The Embassy was designed by I.M. Pei (the famed architect who also did the East Wing of the Nat'l Gallery and the glass pyramid at the Louvre). It's one of the few embassies in the world done by a renowned architect -- but the embassy personnel have many complaints about it and claim that it was designed before "user friendly" became a popular term. (Humor potential?)

- o Humor?: their mail is often ripped off before it gets to the country. Chances are few that they ever receive any mail orders.

- o POTUS will arrive in Montevideo during the last week that anybody stays in the city -- everyone escapes to Punta del Este.

Address to Joint Session of Uruguayan Congress

- o Tuesday, December 4 @ 3:30 p.m.
- o Legislative Palace -- Chamber of Deputies
- o Approximately 300 attendees; 132 Senators and Deputies.
- o Embassy Control Officer: John Jurecky
Charge d'Affaires
- o TelePrompted

Above the podium is a huge mural (see brochure and photos). Unfortunately, I couldn't locate anyone who could tell me what it represents -- it's probably worth looking into.

Also above the podium is an inscription chiseled in marble. It's in Spanish, but I was told it says: "My authority emanates from you and that authority seizes through with your sovereign presence."

The Legislative Palace is absolutely beautiful. The interior is all Uruguayan marble of different colors. See photos and brochure.

Punta del Este

- o No remarks in PDE. POTUS will there for a private dinner with President and Mrs. Lacalle at a small seaside restaurant. The next day, a private breakfast with them at a small inn in town. Mostly an R&R stop. The Bushes will stay at a huge home on the water (it should be in Architectural Digest!!) -- it's owned by a wealthy Argentine who has lent it to the Uruguayan on several occasions, most recently for the visit of French President Mitterand.
- o Punta del Este is a seaside resort town that has practically no full time residents. It became well known in 1967 after its film festival and has since hosted many international meetings and conferences as well as art and entertainment. The entire town is made of (magnificent) summer homes of the Uruguayan and Argentine elite. When we were there, the place was all but deserted. At the time of POTUS' visit, the throngs of vacationers will be just arriving for their summer vacations which last through February.
- o Darwin came to Punta del Este in 1833 to study the species of Goriti Island, off the coast of Punta del Este. He live in Uruguay for three months. He told his friend Signor Marconi, an Italian engineer, that the area had a "good magnetic field" and Marconi later developed the telegraph in Punta del Este.

PREADVANCE NOTES -- ARGENTINA

Good Contact:

Stephen Thompson -- US Embassy

A very friendly man who is a good source of info for both the Embassy Greeting as well as business/trade info for the Joint Session speech. I gave him the heads up that you'd call him.

Michael Canning -- US Embassy, Cultural Officer

Benny Giron -- Very helpful and eager to please. He should be sending you some brochures that we didn't have time to get on the preadvance. Also at the Embassy.

NOTE: Upon arrival at the Aeroparque (municipal airport), POTUS will be presented with a key to the city. No remarks are planned, but check on this again.

Sites of interest in the city:

- "July 9 Boulevard" is claimed to be world's largest; the main thoroughfare of "B.A." (Why is July 9 an important date for Buenos Aires?)
- At one circle of "July 9" stands a monument that is exactly like the Washington monument here in D.C. -- only slightly smaller. It's dedicated to Don Pedro Mendoza. (check him out)
- B.A. is the second city in the formation of the country of Argentina.

- Recoleta Cemetery is their equivalent of Arlington, though the people buried there are not solely servicemembers. Many famous Argentines, writers, artists, political figures, etc, have been laid to rest there.

Wreath laying ceremony at the Plaza of San Martin

--POTUS will lay a wreath at the monument of San Martin, the George Washington of Argentina. No remarks are required, though you will want to use San Martin in your other speeches. He is a very important figure to the Argentines.

San Martin is actually buried in the Main Cathedral of Buenos Aires, which is down the street about 1/2 a block from the Casa Gobierno (joint session speech site). Both the Casa Gobierno and the Cathedral line the Plaza of May 25th (why is this date important?) The Plaza is a big site for rallies and other public gatherings.

Suggested Reading:

"The History of Argentina" by David Rock.

This book covers the history of the country, from its earliest beginnings through the Falklands War. It's supposed to be an extremely easy read and a good source for you. Should be available at the OAS library or the Library of Congress.

Note from LCDR Justice from the Mil Office:

An Argentine Navy sailing vessel and training ship is the sister ship of the Coast Guard training vessel Barque Eagle. Both were war reparations from Germany.

QUOTES FOR SPEECHES

"Sarmiento" is supposedly the most quotable Argentine. He was a civilian President at the time of Lincoln and is known as the "Abraham Lincoln of Argentina".

**Mike Butler at the Embassy is known by his colleagues as "Mr. Quote". Call him.

Address to the Joint Session of the Argentine Congress

- o Wednesday, December 5 @ 3:50 p.m.
- o In the Chamber of Deputies
- o The address is scheduled to the Prompted, however check with Dave on this. The only available space for the Prompter is also where they want to put the press pool. Keller told me that Dave and Marlin will have to work this out.
- o Approximately 500 attendees -- 300 Senators and Deputies; 70 member of diplomatic corps; the Cabinet; Supreme Court justices; etc.
- o Two speakers -- the President of the Senate who will open the session and introduce the President, and POTUS. POTUS introduced by Argentine Vice President Duhalde.

See photos of chamber interior as well as pamphlets. Though they are in Spanish, you can probably figure them out.

The National Seal It is dominant all over the government buildings. In the Chambers in particular, it appears on the front of the podium, above the podium, and in the stained glass ceiling. See the brochure for a picture.

The stripes in it are the blue sky and the white sky of the flag.

The hands are the union of the Argentine people

The staff holding the cup symbolizes Freedom; adapted from symbols of the French Revolution.

The sun symbolizes the birth of a new country.

The laurels mean Glory.

State Dinner

- o Wednesday, December 5 @ 9:00 p.m.
- o Informal, as they will just have viewed a rodeo and cultural demonstration. (Riding, roping, throwing bolos, precision horse drill team of the federal police, traditional costumes)
- o 500 attendees

American Embassy Community Greeting

- o Thursday, December 6 @ 8:50 a.m.
- o The U.S. Ambassador's Residence Ballroom
- o 500 attendees -- embassy personnel, Argentine staff, families

The Residence is the largest in the world -- it's even larger than the WH residence. Vice President Quayle stayed there on his Latin American trips; the Bushes will RON there as well. Check on Bush as VP stays.

Other Presidents who stayed there:

- A plaque at the Main Entrance commemorates the February 26, 1960 visit of Eisenhower (a private visit after his Presidency)
- A plaque at the top of the stairs commemorates the November 30 - December 2, 1936 visit of FDR.

PREADVANCE NOTES -- CHILE

Embassy Greeting

- o Friday, December 7 @ 9:25 a.m.
- o Ambassador's Residence, back patio
- o 300 - 400 attendees; Embassy personnel, Chilean staff, families.
- o Contacts: Dan Johnson Embassy Admin Officer
 Dave Lugers Site Control Officer

- o We spent only a few minutes at the Residence and none of the Embassy personnel had much to offer by way of humor and color. I told both Dan and Dave to be thinking of such things in case you call them. Ambassador Gillispie is quite the dashing figure and I was told that there is humor there. Call his wife for more on that.

AMCHAM Breakfast

- o Friday, December 7 @ 7:55 a.m.
- o Holiday Inn Crowne Plaza Hotel Ballroom -- a ballroom is a ballroom is a ballroom. Totally nondescript. Could have been Toledo.
- o Both Presidents will attend. JB III TBD.
Mrs. Bush TBD.
- o 1000 attendees
- o TelePrompted
- o POTUS introduced by AMCHAM President Ed Tillman, CEO of Exxon in Chile
- o 2 speeches precede POTUS (one is Tillman). 55 minutes total time there. POTUS doesn't eat.
- o 7 people at head table (8 if Mrs. B. attends):
President Aylwin [AIL win], 4 AMCHAM directors,
Ambassador Gillispie, JB III.
- o Elementary school choir will sing the anthems.

- o Contacts:
 Embassy: ** Rick Villalobos, Econ Section **
 Nancy Mason, Political Section

 AMCHAM: M. Isabel Jaramillo
 Paulina Dellafiori

 Phone: 486 830

NOTES:

- Chileans think they'll be the first Latin American country to sign a Free Trade Agreement with the US through the Enterprise for the Americas Initiative. Mexico is slated to be first, but the Chileans are optimistic.

- Stay Away From: 1. The Kennedy Amendment prohibiting Chile from purchasing any military apparatus from the US. Senator Kennedy sponsored the bill after the Letalier bombing in D.C.-- the US asked Chile to locate and charge the perpetrators and to date they have not done so. Major source of tension in US-C relations.
2. The Generalized System of Preferences. The privilege was taken away from Chile in 1987 due to labor abuses. They say they have corrected this and want the GSP back, but the US refuses.
3. Chilean grapes.

- Nancy Mason and Rick Villalobos will send you examples of recent cooperative ventures and examples of cooperation in business; a story on early US-C business; humor. Probably should give them a call to remind them.

- GOOD NEWS: Chile is now back in OPIC. OPIC is again insuring US firms in Chile.

Also, Chile has been returned a clean bill of health after hoof and mouth disease problems in their cattle. They can now export to the US. Whoopee...

State Dinner

- o La Moneda Palace, Plaza de Naranjas
(Plaza of Oranges -- courtyard filled with orange trees)
- o Thursday, December 6 @ 9:15 p.m.
- o Toast
- o Will just have participated in a ceremonious arrival at the palace with honor guards, review of troops, and fanfare. The Palace Guards are units of the National Police (Carabineros). The square outside the Palace will be lined with US and Chilean flags.
- o Attendees TBD

The Palace was designed by the Italian Tosca in 1786. It's been restored but is still essentially the same...except for one room that has been removed. The palace was bombed during many coups. Pinochet was holed up there and committed suicide in the Palace -- that room has since been removed.

The national slogan of Chile appears ALL OVER the place; from the wrought iron work of the Palace courtyards to the marble over the podium at the joint session speech. It reads, translated: "If not by reason, then by force". Yikes.

Gustavo Delgado is a young Foreign Service Officer at the Embassy who tried to get me some brochures on the history etc of the Palace. He was unsuccessful but left a message at our hotel that he'd try again and send it up. You may want to give him a call.

See photos of the Palace and the courtyard.

Address to Joint Session of Congress

- o Valparaiso -- Congreso Nacional, Salon de Honor
- o Approximately 900 attendees -- 47 Senators, 120 Deputies, plus various members of the diplomatic corps, Cabinet Ministers, etc.

This will be a special session of the Congress. The President of the Senate will open the session with 5 minutes of rituals and will introduce POTUS with the ringing of the bell. (President of the Senate is Gabriel Valdes, the highest ranking legislator.)

On dais: Rafael Eyzaguirre, Secretary of the Senate
Carlos Loyola, Secretary of the Chamber of Dep's
Jose Antonio Viera Gauo, President of Chamber of Deputies
Gabriel Valdes, President of the Senate

The Congress building is brand spanking new -- in fact, they were still laying carpet when we visited. It is a huge, gigantor monument of marble columns that seems extremely out of place in poverty-stricken Valparaiso. Even across the street, the building is surrounded by ordinary shops and slums coming down from the hills. See photos. It had an eerie feeling about it, as most government buildings of this sort are surrounded by others like it. See photos.

POTUS will get out of the limo about 1/2 a block from the building and walk a route lined with honor guardsmen from the Naval Academy. He'll review the troops and be greeted on the steps by the Senators and Deputies.

Again, their national slogan reads : "If not by reason, then by force." It is emblazoned in marble above the podium. In this instance it appears under a seal of sorts with a condor and a huemol (deer like animal). The condor represents the aggressive side, while the huemol represents the tranquil and peaceful side.

POTUS will chopper over to Valparaiso from Santiago. It might be worth it to mention the truly beautiful Chilean countryside. It's really quite remarkable -- greenery like you've never seen; rolling meadows filled with wildflowers; farmland; beautiful mountain ranges. Save for a few billboards here and there, it's virtually unmarred. The Andes Mountain Range is visible in the far distance, with snow capped peaks.

Other notes on Chile:

- King Juan Carlos of Spain just completed a state visit to Santiago the day we arrived. The papers applauded the success of the visit -- on the issues of trade, etc. Apparently the two countries have just recently reestablished good relations -- last time Juan Carlos visited, he was snubbed by Pinochet who left the city to visit his troops in the hills and never met with the King.
- North of Santiago begins a desert which continues to the border. Some spots are said to have never seen rain -- ever. No life can exist there. Some areas get 1/16th inch of moisture per year, mostly from mist coming off the ocean.
- La Iglesia de San Francisco de Assisi is the best known church in Santiago. We drove by it, but unfortunately I wasn't able to catch a photo for you. It's the oldest church in the country and also houses a museum of the monks. Nancy Mason said she would send a brochure on its significance; again, you may want to call her to remind her if you're interested.
- The national hero of Chile, believe it or not, is named Bernardo O'Higgins. (His father was Irish!) He is considered to be the equivalent of Bolivar, Artigas, San Martin, etc. -- the George Washington of Chile. In fact, he fought with San Martin (of Argentina). Definitely check into this man.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Report	Re: Preadvance notes for POTUS trip to Latin America. (1 pp.)	n.d.	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Grant, Mary Kate
Subseries: Subject File
WHORM Cat.:
File Location: Latin American Trip 10/90 - 11/90 [3]

Date Closed: 12/21/2004	OA/ID Number: 13881-018
FOIA/SYS Case #: S	Appeal Case #:
Re-review Case #: 2005-0482-S	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

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Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

PREADVANCE NOTES -- VENEZUELA

Contacts:

- o Bill Millen
Political Counselor at the US Embassy. This man is an expert on the country and can answer just about any question you may have.
- o Helen Clare Hudson (Phone ext. 425)
Economic Counselor at the US Embassy. Call her for info on cooperative efforts in trade and business.
- o Paula Thiede (Phone ext. 330)
Also at the Embassy. A very nice woman who maintains files of newspaper clippings.

Color and Things to Check on:

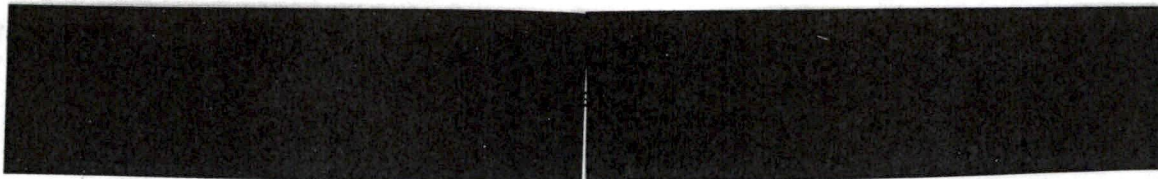
- Bill Millen thought that POTUS may have visited Venezuela in the 1960's when he was an oilman in Texas. He supposedly visited the city of Maracaibo, in western Venezuela near Colombia.
- Jeb Bush once lived in Venezuela. Were any of his kids born there?

- POTUS visited V. in 1981 (?) for Bettencourt's funeral.
- Bettancourt [BET anne coor] is a good man to quote

- POTUS and President Perez met when both were President-elect's. State visit of Perez in spring '89. POTUS calls Perez often -- they have a good relationship.

P-6, (b)(6)

NOTE:



--Embassy Greeting

- o Ambassador's residence -- on large patio overlooking the city
- o Saturday, December 8 @ 2:20 p.m.
- o Approximately 300 attendees -- embassy personnel, Venezuelan employees, families; possibly some Americans from the area.

- o Contact Bill Millen for inside humor. I was told that jokes about the erratic water supply and telephone service would be appreciated. Also, they have been waiting for several months (since May?) for their Ambassador-designate to be confirmed. It's become a running joke of sorts --it's hoped that he'll be on post by the time of POTUS' visit. If not, this has definite joke potential. If he is there, you could still use it.

-- Caracas is surrounded by huge, green, lush mountains. They really are quite beautiful and it's difficult to escape a grand view of them. Avila National Park is a big deal to the people of Caracas; it's a landmark. It's a huge park high up in the hills and mountains with trails, waterfalls, and eating spots -- also a preserve of sorts, with birds and butterflies which are protected "El Avila" Nat'l Park separates Caracas from the Caribbean Sea. (Note: Venezuela has a heavy Caribbean influence, from the people to the reggae music. It's often said the V. is more a part of the Caribbean region than Latin America.)

The Ambassador's residence (RON Site and site of Embassy Greeting) is just below the park

--Business Luncheon

- o Caracas Hilton Ballroom -- a ballroom is a ballroom. Totally nondescript.
- o Saturday, December 8 @ 12:35 p.m.
- o 1,000 attendees
- o 14 on the dais
- o Brief Remarks; TelePrompted

-- Teresa Careño was a major opera diva from Venezuela. She toured the world and was very popular internationally. Across the street from the Hilton (Luncheon site) is a huge theater and arts complex in her honor. It is one of the best known buildings in Caracas.

-- State Dinner

- o Friday, December 7 @ 7:40 p.m.
- o Site: La Casona, President Perez' private home. It's still undecided whether it will be outdoors on the large patio (tented) or the indoor dining room.

--Pantheon -- Tomb of Bolivar and other liberators

No remarks, but this would be great to use in business luncheon or embassy greetings, as POTUS will have just participated in a wreathlaying ceremony there. Note that a statue of Bolivar stands in D.C. down the street from State.

Other liberators at the Pantheon include: Garantia, Jose Gregorio Monegas, Francisco Miranda. It is a beautiful monument with splendid murals and frescoes; high vaulted ceilings and stained glass windows. The paintings represent scenes of the liberation of Venezuela.

CARACAS:

- Capital of Venezuela
- Birthplace of "Libertador Simon Bolivar"
- Founded on July 25, 1567 by the Conqueror Diego de Losada. He named it Santiago de Leon de Caracas. The Lion (de leon) is quasi-official symbol of the city.
- The city of Caracas was mapped 9 years after founding. It was exactly 24 square blocks with the 25th as it's center plaza. Today this area is the colonial section of the city.

VENEZUELA:

- Discovered by Columbus (just like the US) in 1498 on his third voyage to the New World. First explored by Alonso de Ojeda in 1499 -- according to legend, he named it "Venezuela" or "Little Venice".
- Achieved independence in 1821. Begun by Francisco de Miranda and completed by Simon Bolivar.

SITES YOU MAY WANT TO MENTION:

- Iglesia de San Francisco: (Church of S.F.) Church and convent built in 1575. Simon Bolivar prayed here often. It was in this church that he was given the title "libertador" (liberator) and made Captain General of the V. armies. His state funeral took place here in 1813. It's open to public tours.
- El Capitolio Nacional: (The Nat'l Capital). Next to the legislative palace. Topped by a gleaming dome. Built in 1877. Now used only for the inauguration of the President.
Inside are 52 paintings depicting historical V. events. The most magnificent is on the ceiling of the dome; it shows Bolivar winning the V. Battle of Independence at Carabobo. The Declaration of Independence is housed here.
- Consejo de Municipal: Old seminary built in 1641. In the center are fountains with the symbol of the city, the lion. The Declaration of Independence was signed here in July 5, 1811.
- Casa Natal: Bolivar's birthplace.
- La Catedral: (the Cathedral) Mirrors the tumultous history of Caracas. It was destroyed by earthquakes in 1641, 1766, and 1812 and rebuilt each time. In the Cathedral are the crypts of the Bolivar family.

Famous Artists:

Marisol
Jacobó Borges
Jesus Soto
Mateo Manaure
Alejandro Otero
Carlos Cruz Dias

All are internationally known.

<PREC> IMMEDIATE<CLAS> UNCLASSIFIED<OSRI> RUEHME<DTG> 082312Z NOV 90
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<TO>TO RUEHC/SECSTATE WASHDC IMMEDIATE 5088
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<SUBJ>SUBJECT: DRAFT PUBLIC STATEMENTS AND REMARKS

To: Mark Long

<TEXT>

Speech writers

UNCLAS SECTION 01 OF 06 MEXICO 30448
DEPT FOR ARA/MEX
DEPT FOR A/TSS JEANNIE BULL
USIA FOR AR
E.O. 12356: N/A

From Dan Johnson

TAGS: OVIP (PRESIDENT BUSH, GEORGE)
SUBJECT: DRAFT PUBLIC STATEMENTS AND REMARKS
REF: EMBASSY-ARA FAX

HEREWITH MISSION TRANSMITS DRAFT PRESIDENTIAL PUBLIC STATEMENTS AND REMARKS. THEY ARE PRESENTED IN THE ORDER IN WHICH THEY WILL BE DELIVERED.

1. CONTINGENT PRESIDENTIAL REMARKS SHOULD ARRIVAL STATEMENT BE NECESSARY AT MONTERREY AIRPORT, NOVEMBER 26, 1990

FOREIGN MINISTER SOLANA, FRIENDS AND NEIGHBORS:
I WANT TO SAY FIRST OF ALL HOW PLEASED I AM TO BE HERE IN MEXICO TO CONSULT WITH PRESIDENT SALINAS AND TO HEAR THE VIEWS OF HIS CLOSEST ADVISORS. THIS REGULAR EXCHANGE OF VISITS REFLECTS THE PERMANENT IMPORTANCE MEXICO HAS FOR THE PEOPLE OF THE UNITED STATES.

THERE'S SO MUCH WE CAN DO TOGETHER TO ENSURE THE HEALTH, WELFARE AND PROSPERITY OF OUR SOCIETIES AND ECONOMIES. AT THE TOP OF THE AGENDA RANK ISSUES LIKE FREE TRADE, THE WAR AGAINST DRUGS, EDUCATION AND THE ENVIRONMENT. THEY ALL REQUIRE CAREFUL ASSESSMENT TO SUSTAIN THE KIND OF EXCITING PROGRESS WE HAVE SEEN IN THE U.S.-MEXICO RELATIONSHIP OVER THE LAST TWO YEARS.

AND I KNOW THAT'S THE KIND OF ASSESSMENT THEYLL GET. I'M PROUD TO SAY THAT PRESIDENT SALINAS AND I HAVE COME TO SHARE A FRANK AND OPEN DIALOGUE ON THE FULL RANGE OF BILATERAL AND INTERNATIONAL ISSUES. IN THE NEXT TWO DAYS I LOOK FORWARD TO SPENDING TIME WITH HIM HERE IN THE PART OF THE COUNTRY HE AND HIS FAMILY CALL HOME. IN THE PROCESS, I'M SURE THAT I WILL GET TO KNOW MEXICO AND THE MEXICAN PEOPLE BETTER, TOO, AND THAT, MOST ASSUREDLY, IS ALL TO THE GOOD.

COMMUNICATION IS THE KEY TO FACING THE MANY CHALLENGES THAT LIE AHEAD OF US. IT'S THE SUREST WAY I KNOW OF TO STRENGTHEN AN OVERWHELMINGLY POSITIVE BILATERAL PARTNERSHIP--A PARTNERSHIP BASED NOT JUST ON COMMON INTERESTS BUT ALSO ON THE FRIENDSHIP, CANDOR AND MUTUAL RESPECT THAT BIND OUR TWO GREAT NATIONS SO CLOSELY TOGETHER. THANK YOU VERY MUCH.

2. CONTINGENT PRESIDENTIAL REMARKS IF FORMAL ARRIVAL CEREMONY IS HELD AT AGUALEGUAS, NOVEMBER 26, 1990

PRESIDENT AND MRS. SALINAS, MAYOR REYNALDO CANALES VELA, FRIENDS, AND NEIGHBORS:

I COME HERE TODAY TO CARRY ON A TRADITION ESTABLISHED BY MANY PRESIDENTS BEFORE US. MEXICO AND THE UNITED STATES ARE NEIGHBORS, CLOSE NEIGHBORS, AND WE HAVE THINGS TO TALK ABOUT. LIKE

TWO SIDES OF THOSE BEAUTIFUL MOUNTAINS WE SEE IN THE DISTANCE, WE HAVE RISEN UP ON THE SAME CONTINENT AND COME TOGETHER TO BUILD A VAST RELATIONSHIP -- BROAD AND SOLID AT THE BASE, WEATHERED IN PLACES BUT STRENGTHENED BY TIME AND ARCHING UPWARDS. OUR PEOPLE, OUR CULTURES, OUR DIFFICULTIES AND OUR ACCOMPLISHMENTS ALL HAVE BROUGHT US TOGETHER. MANAGING SO MUCH INTERACTION EFFECTIVELY ALWAYS HAS BEEN A CHALLENGE, AND IT HAS NEVER BEEN MORE IMPORTANT TO MEET THAT CHALLENGE THAN TODAY. IN MY MANY AND FREQUENT TALKS WITH PRESIDENT SALINAS SINCE WE BOTH WERE ELECTED, I THINK WE HAVE ESTABLISHED A NEW CLARITY IN THIS RELATIONSHIP -- ABOUT THE PROBLEMS WE WANT TO SEE SOLVED, AND THE OPPORTUNITIES WE THINK OUGHT TO BE SEIZED. PROGRESS, CONCRETE MEASURES TAKEN ACROSS THE BREADTH

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E.O. 12356: N/A

TAGS: OVIP (PRESIDENT BUSH, GEORGE)

SUBJECT: DRAFT PUBLIC STATEMENTS AND REMARKS

OF OUR IMMENSE RELATIONSHIP, IS WHAT EACH OF US SEEK.

THAT'S THE AGENDA FOR OUR DISCUSSIONS THE NEXT TWO

DAYS: BUILDING PROSPERITY THROUGH A FREE TRADE

AGREEMENT, COOPERATING IN THE WAR AGAINST DRUGS,

• WORKING TOGETHER ON EDUCATIONAL EXCHANGES AND THE

ENVIRONMENT, AND CONSULTING ON THE GRAVE CRISIS THAT

CONFRONTS US ALL IN THE PERSIAN GULF.

BY BEGINNING THESE TALKS HERE IN PRESIDENT SALINAS'

HOME TOWN, IT SEEMS TO ME THAT WE ARE ROOTING OUR

EXCITING PLANS FOR THE FUTURE IN THE RIGHT SOIL --

THE SOIL OF FAMILY AND COMMUNITY VALUES.

MR. PRESIDENT, AS WE FLEW HERE THIS AFTERNOON, I

COULD NOT HELP THINKING HOW SIMILAR THIS LONESOME

MEXICAN GRASSLAND IS TO THE GREAT EXPANSES OF TEXAS

ON THE OTHER SIDE OF THE BORDER. FROM THE EAGLE'S

EYE VIEW, WHETHER IT'S THE AZTEC EAGLE OR THE

AMERICAN BALD EAGLE, IT ALL LOOKS LIKE HOME.

IT'S AN HONOR AND A PRIVILEGE TO BE HERE AS YOUR

GUEST.

THANK YOU VERY MUCH.

3. DRAFT PRESIDENTIAL REMARKS AT FIESTA FOLLOWING

CHARREADA IN AGUALEGUAS, NOVEMBER 26, 1990

PRESIDENT AND MRS. SALINAS:

LET ME JUST SAY HOW DELIGHTED BARBARA AND I ARE TO

BE HERE IN YOUR HOME TOWN OF AGUALEGUAS AND TO BE

ABLE TO SPEND THE KIND OF INFORMAL TIME TOGETHER WE

SHARED AT CAMP DAVID LAST YEAR.

TO MAYOR REYNALDO CANALES VELA, AND THE PEOPLE OF

AGUALEGUAS:

LET ME JUST SAY HOW THRILLED WE ARE TO JOIN YOU, AND

HOW DEEPLY GRATEFUL WE ARE FOR YOUR WONDERFUL

HOSPITALITY.

IT'S OBVIOUS TO ME WHERE YOUR PRESIDENT GETS HIS

SPECIAL TOUCH AND WHY HE IS SO CLOSE TO THE NEEDS

AND FEELINGS OF THE PEOPLE OF MEXICO.

HE COMES FROM THE PEOPLE RIGHT HERE IN AGUALEGUAS,

AND HE HAS NEVER LOST HIS ROOTS IN THE SMALL TOWN

FAMILY VALUES OF COMMUNITY AND FAMILY.

THERE'S TRUST HERE, AND WARMTH, AND SOME OF THE BEST

HORSEMANSHIP I'VE SEEN IN YEARS.

AS I LOOK AROUND THIS PRETTY PLAZA, I REALIZE THIS

IS A GLIMPSE OF MEXICO I'LL NEVER FORGET.

MR. PRESIDENT, THANK YOU SO MUCH FOR HAVING US HERE

AMONG YOUR FAMILY AND FRIENDS.

4. DRAFT PRESIDENTIAL REMARKS ON STEPS OF GOVERNOR'S PALACE, NOVEMBER 26, 1990
PRESIDENT SALINAS, GOVERNOR TREVINO, MAYOR RIZZO,
FRIENDS AND NEIGHBORS:

THANK YOU FOR YOUR WARM WORDS OF WELCOME. IT'S WONDERFUL TO BE IN MEXICO, AND IT'S WONDERFUL TO BE IN MONTERREY.

AS I LOOK OUT AT THIS BEAUTIFUL MACRO PLAZA, I REALIZE THAT I STAND BEFORE MEXICO'S GREATEST HEROES. HIDALGO AND MORELOS, WHO SET THIS GREAT NATION ON THE ROAD TO INDEPENDENCE.

JUAREZ AND ESCOBEDO, WHO DEFINED AND DEFENDED THE PRINCIPLES OF JUSTICE AND FREEDOM THAT GUIDE THE MEXICAN STATE EVEN TO THIS DAY.

PRESIDENT CARLOS SALINAS DE GORTARI, WHO IS MODERNIZING MEXICO WITHIN ITS OWN CHERISHED UNCLAS SECTION 03 OF 06 MEXICO 30448

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FRAMEWORK OF VALUES AND BELIEFS.

AND THE MEXICAN PEOPLE THEMSELVES, ALL OF YOU HERE TONIGHT, WHO HAVE HELPED CREATE THIS GREAT CITY OF MONTERREY, THIS GREAT STATE OF NUEVO LEON, AND THIS GREAT COUNTRY OF MEXICO.

I COME HERE MYSELF TO SHOW THE ENORMOUS RESPECT THE PEOPLE OF THE UNITED STATES HAVE FOR YOUR DYNAMISM AND VIGOR.

AS YOU KNOW, I AM A TEXAN, A NEIGHBOR NEAR AT HAND. AND I THINK THE TIME I'VE SPENT UNDER THE BIG SKY DOWN HERE GIVES ME ALL THE MORE REASON TO ADMIRE YOUR VISION AND YOUR ACCOMPLISHMENTS.

WHEN FRANKLIN DELANO ROOSEVELT CAME TO MONTERREY IN 1943 TO MEET WITH PRESIDENT AVILA CAMACHO, TEXAS AND MEXICO WERE QUIET PARTS OF THE GLOBE, FAR AWAY FROM THE CENTER STAGE OF A WORLD AT WAR.

SO WHEN MY WIFE BARBARA AND I CAME SOUTH AFTER THE WAR HAS OVER, WE NEVER IMAGINED THAT FORTY YEARS LATER WE WOULD BE VISITING A BORDER THAT MIGHT WELL BE CALLED THE FRONTIER OF THE FUTURE.

YET THAT IS THE SPLENDID COURSE HISTORY HAS TAKEN. MEXICO AND THE UNITED STATES ARE ON THE MOVE. AND

IN OUR CONSULTATIONS PRESIDENT SALINAS AND I ARE DISCUSSING HOW WE CAN GO EVEN FURTHER IN BUILDING A STRONGER RELATIONSHIP FULL OF EXCITING NEW IDEAS AND OPPORTUNITIES.

WE WANT TO SEE IF WE CAN ADVANCE THE IDEA OF FREE TRADE, SO VITAL TO OUR CREATING JOBS AND PROSPERITY IN YOUR ECONOMY AND OUR OWN. WE WANT TO CONSULT ON HOW WE CAN PUT AN END TO THE SCOURGE OF DRUGS, SO THREATENING TO OUR YOUTH. WE HAVE A PRECIOUS ENVIRONMENT TO PROTECT AND FUTURE GENERATIONS TO EDUCATE--THESE ARE THEMES WE MUST ADDRESS AS WELL. AND OF COURSE THERE IS A CHANGING AND IN SOME CASES TROUBLED WORLD BEYOND OUR BORDERS. WHAT CAN EACH OF US DO TO MAKE PEACE AND PROSPERITY THE FOUNDATIONS OF A NEW WORLD ORDER? THE RECONSTRUCTION OF CENTRAL AMERICA, THE PEACEFUL RESTORATION OF THE LEGITIMATE GOVERNMENT OF KUWAIT, AND THE SUCCESSFUL CONCLUSION OF WORLD TRADE TALKS UNDER GATT ARE A FEW OF THE THEMES WE ALREADY HAVE BEGUN TO DISCUSS.

WHAT WE SEEK, TO PUT IT SIMPLY, IS A WORLD THAT

LOOKS LIKE THE U.S.-MEXICO RELATIONSHIP
ITSELF--ORIENTED TOWARDS COOPERATION, COMMUNICATION,
AND RESPECTFUL PARTNERSHIP IN SEIZING THE MANY
OPPORTUNITIES THAT LIE BEFORE US.
LOOKING OUT AT YOU AND THE STATUES OF YOUR GREAT
MEN, IT'S CLEAR TO ME THAT HISTORY IS ON OUR SIDE.
ABUNDANT MORAL RESERVES GIVE US DIRECTION AND GIVE
US COURAGE.

AND IN PRESIDENT SALINAS, I KNOW I HAVE THE KIND OF
FRIEND WHO WILL ANSWER ANY CHALLENGE WITH THE SAME
IDEALS THAT MOVE ME AND THE PEOPLE OF THE UNITED
STATES. HARD WORK, TOTAL CANDOR AND FULL RESPECT
WILL BE OUR GUIDES AS WE JOIN TOGETHER IN BUILDING A
STRONGER MEXICO, A STRONGER UNITED STATES, AND A
BETTER WORLD.

THANK YOU FOR YOUR WARM RECEPTION, GOD BLESS YOU
ALL, AND VIVA MEXICO!

5. DRAFT PRESIDENTIAL REMARKS ON RECEIVING KEYS TO
MONTERREY, NOVEMBER 26, 1990

MAYOR RIZZO:

IT IS AN HONOR TO ACCEPT THE KEYS TO THE CITY OF
MONTERREY, A GREAT CAPITAL OF INDUSTRY, TECHNOLOGY,
SCHOLARSHIP AND CULTURE.

MONTERREY'S SPIRIT AND ENERGY ARE THE ESSENCE OF
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TAGS: OVIP (PRESIDENT BUSH, GEORGE)

SUBJECT: DRAFT PUBLIC STATEMENTS AND REMARKS
MEXICAN MODERNIZATION AND CREATIVITY.

FOR YOU AND YOUR FELLOW CITIZENS, WHAT CAN BE
DREAMED CAN BE ACCOMPLISHED, AND WHAT CAN BE
IMAGINED CAN BE FORGED. WITH THAT APPROACH TO THE
FUTURE, YOU ARE THE BEST FRIENDS I AND THE PEOPLE OF
THE UNITED STATES COULD EVER HAVE.

THANK YOU VERY MUCH.

6. DRAFT PRESIDENTIAL REMARKS ON CREATION OF U.S. -
MEXICO COMMISSION ON EDUCATIONAL AND CULTURAL
EXCHANGE, NOVEMBER 27, 1990

PRESIDENT SALINAS:

THIS AGREEMENT, CREATING THE U.S. - MEXICO
COMMISSION ON EDUCATIONAL AND CULTURAL EXCHANGE, IS
A MAJOR STEP FORWARD FOR US ALL. IT WILL HELP US
DEVELOP THE FUTURE LEADERS WE NEED TO SUSTAIN THE
POLICY ADVANCES OUR TWO GOVERNMENTS ARE WORKING SO
HARD TO ACHIEVE.

FURTHER, IT WILL BRING OUR TWO SOCIETIES CLOSER
TOGETHER IN NEW AND CREATIVE WAYS, GENERATING FRESH
APPROACHES TO OUR EVOLVING CULTURAL AND INTELLECTUAL
REALITIES.

I CANNOT THINK OF A BETTER SYMBOL OF OUR FRIENDSHIP
THAN A BINATIONAL COMMISSION THAT IS DIRECTED BY A
BOARD DRAWN FROM THE PRIVATE AND PUBLIC SECTORS
ALIKE. THIS GUARANTEES THAT THE RIGHT QUESTIONS
ALWAYS WILL BE ASKED, AND THE BEST ANSWERS ALWAYS
WILL BE GIVEN.

THANK YOU VERY MUCH.

7. DRAFT PRESIDENTIAL REMARKS FOR USE AT MEETING
WITH BUSINESSMEN IN MONTERREY CASINO, NOVEMBER 27,
1990

SECRETARY SERRA, SECRETARY MOSBACHER, FRIENDS AND
NEIGHBORS:

WE'RE MAKING IMPORTANT PROGRESS IN EVERY DIMENSION
OF OUR RELATIONSHIP WITH MEXICO. MORE PEOPLE CROSS

THE BORDER THAN EVER BEFORE. MORE ILLEGAL DRUGS ARE BEING SEIZED THAN EVER BEFORE. MORE UNIVERSITIES ARE DEVELOPING EXCHANGE PROGRAMS THAN EVER BEFORE. AND MORE IS BEING DONE BETWEEN US TO PROTECT OUR PRECIOUS ENVIRONMENT -- UP HERE ALONG THE BORDER AND AS FAR SOUTH AS THE LACONDON TROPICAL FOREST. BUT IT IS DIFFICULT TO IMAGINE ANY THEME MORE IMPORTANT THAN THE ONE YOU ARE DISCUSSING HERE THIS MORNING.

YOU IN THE PRIVATE SECTOR CREATE THE ECONOMIC RESOURCES THAT SUSTAIN OUR RELATIONSHIP AS A WHOLE, AND THAT'S WHY THE NEGOTIATION OF A FREE TRADE AGREEMENT BETWEEN MEXICO AND THE UNITED STATES IS SO VITAL.

FREE TRADE MEANS JOBS, INVESTMENTS, PRODUCTIVITY AND PROSPERITY. I KNOW YOU IN MEXICO HAVE LONG UNDERSTOOD THE ECONOMIC IMPORTANCE OF THE UNITED STATES. NOW WE SEE JUST AS CLEARLY THE ECONOMIC IMPORTANCE OF MEXICO. FOR US YOU ARE OUR NUMBER THREE TRADING PARTNER IN ALL THE WORLD. \$52 BILLION DOLLARS LAST YEAR, AND THE NUMBERS ARE RISING THIS YEAR TOWARDS A TOTAL THAT IS EVEN HIGHER. SINCE WE CALCULATE THAT EVERY BILLION DOLLARS OF EXPORTS CREATES 25,000 JOBS, WE ARE TALKING ABOUT MAJOR CONTRIBUTIONS TO THE WELFARE OF MANY, MANY MEXICANS AND AMERICANS.

IN HIS RECENT STATE OF THE NATION ADDRESS, PRESIDENT SALINAS SAID MEXICO DOESN'T WANT TO BE A THIRD WORLD NATION; IT WANTS TO BE A FIRST WORLD NATION.

WELL, THAT'S WHAT WE WANT FOR MEXICO, TOO, AND

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THAT'S WHAT WE SEE HAPPENING.

IN YOUR AUTOMOTIVE, ELECTRONIC TOURISM AND OTHER INDUSTRIES, YOU HAVE WORLD-CLASS PRODUCTIVE CAPABILITIES. MORE THAN THAT, YOU'VE GOT YOUTH, DRIVE, AND DREAMS ON YOUR SIDE. AND WE THINK THAT'S GOOD FOR US BOTH -- A MEXICO THAT WANTS TO GET OUT AND COMPETE, A MEXICO WITH PURCHASING POWER AND A MEXICO WITH SELLING POWER.

WHEN THE ECONOMIC CRISIS HIT MEXICO HARD IN THE EARLY 1980S, OUR SOUTHWEST BORDER SUFFERED.

FORTUNATELY, THE PRINCIPLE WORKS THE SAME WAY IN REVERSE. YOU GROW, WE GROW.

AS WE ENTER INTO THE PROCESS OF NEGOTIATING A FREE TRADE AGREEMENT, I KNOW THAT MANY OF YOU WILL BE AS BURDENED BY WORRIES AS YOU ARE BUOYED UP BY PLANS.

AND WE'LL HEAR CRITICISMS, JUST AS WE DID WHEN WE NEGOTIATED THE FREE TRADE AGREEMENT WITH CANADA.

BUT LET'S LOOK AT WHAT TRADE LIBERALIZATION ALREADY HAS DONE FOR US. MEXICO ENTERS GATT, AND BILATERAL TRADE SOARS FROM \$35 BILLION IN 1987 TO THE \$52 BILLION I JUST CITED IN 1989. THE IN-BOND INDUSTRY TAKES HOLD AND REACHES GROWTH RATES OF 20% A YEAR, CREATING A HALF A MILLION JOBS.

THERE'S A WORLDWIDE CONSENSUS IN FAVOR OF FREE TRADE, BUT NOT EVERYONE HAS THE VISION TO MAKE IT HAPPEN. I THINK MEXICO AND THE UNITED STATES DO HAVE THAT VISION, AND WE WILL BE LOOKING TO YOU, FAR-SIGHTED BUSINESSPEOPLE, NOT ONLY TO MAKE IT HAPPEN, BUT TO MAKE IT SUCCEED.

THANK YOU VERY MUCH.
8. DRAFT PRESIDENTIAL TOAST AT STATE LUNCHEON,
NOVEMBER 27, 1990

PRESIDENT SALINAS, IF I MAY, I WOULD LIKE TO RAISE
MY GLASS TO YOU IN THANKS FOR YOUR FRIENDSHIP, YOUR
COUNSEL AND YOUR COMMITMENT TO A STRONGER
RELATIONSHIP BETWEEN OUR TWO COUNTRIES.

WHEN WE FIRST MET IN HOUSTON IN 1988, NEITHER OF US
HAD ASSUMED OFFICE, BUT BOTH OF US WERE FULLY AWARE
OF THE CHALLENGES WE WOULD FACE IN GIVING THIS
RELATIONSHIP LEADERSHIP AND DIRECTION.

SPEAKING FOR THE UNITED STATES, NO COUNTRY IS MORE
IMPORTANT TO US THAN MEXICO. OUR SOUTHWEST BEARS
THE IMPRINT OF YOUR CULTURE. YOU ARE OUR THIRD
LARGEST TRADING PARTNER. TWELVE MILLION AMERICANS
CALL MEXICO THEIR MADRE PATRIA, AND CHALLENGES SUCH
AS CONFLICT IN CENTRAL AMERICA AND POWERFUL
NARCO-TRAFFICKERS IN THE ANDES TEST OUR WILL AND OUR
WISDOM.

YET IN HOUSTON AND IN OUR FIVE MEETINGS SINCE THEN,
YOU ALWAYS HAVE BROUGHT MEXICO'S PERSPECTIVE INTO
POSITIVE FOCUS, POINTING THE WAY TO THE KIND OF
COMMUNICATION AND COOPERATION THAT HAS BENEFITTED US
BOTH SO MUCH.

PERHAPS NO GESTURE OF MEXICO'S GOODWILL AND INTEREST
HAS BEEN MORE EXPRESSIVE THAN THE MAGNIFICENT
EXHIBITION, "MEXICO: THIRTY CENTURIES OF SPLENDOR,"
NOW ON DISPLAY AT THE METROPOLITAN MUSEUM OF ART IN
NEW YORK.

NOW WE ARE ON THE VERGE OF NEGOTIATING AN HISTORIC
FREE TRADE AGREEMENT WHICH WILL BE THE SYMBOL OF HOW
FAR OUR TWO COUNTRIES HAVE COME IN LEARNING TO
UNDERSTAND, TRUST, AND WORK WITH ONE ANOTHER.

THIS AGREEMENT WILL UNLEASH POWERFUL ENERGIES IN
BOTH OUR ECONOMIES. COUNTLESS NEW VENTURES WILL
EMERGE. JOBS, HIGHER-STANDARDS OF LIVING, AND
GREATER PRODUCTIVITY WILL MAKE US BOTH MORE
COMPETITIVE ON THE GLOBAL SCENE.

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SUBJECT: DRAFT PUBLIC STATEMENTS AND REMARKS
MR. PRESIDENT, A RELATIONSHIP BETWEEN TWO COUNTRIES
THAT ARE SO DIFFERENT WILL ALWAYS BE A CHALLENGE,
BUT YOUR PENETRATING INSIGHT INTO OUR COMMON
INTERESTS AND LASTING FRIENDSHIP HAS RADICALLY
ALTERED ITS TERMS FOR THE BETTER.

IN YOUR SECOND STATE OF THE NATION ADDRESS, YOU
EMPHASIZED MEXICO'S DETERMINATION TO REACH OUT TO
GLOBAL CHANGE AND SEEK TO EMBRACE IT. WITHOUT
MINIMIZING UNCERTAINTY, YOU SAW FRESH HOPE. WITHOUT
IGNORING RISKS, YOU CELEBRATED NEW FREEDOMS.

MR. PRESIDENT, I SHARE YOUR VIEWS AND CELEBRATE THEM
MYSELF. WE ARE NOT ON AN EASY PATH, BUT I FIRMLY
BELIEVE WE ARE ON THE RIGHT ONE, AND THERE IS NO ONE
WITH WHOM I WOULD RATHER TRAVEL IT THAN WITH YOU AND
THE MEXICAN PEOPLE.

I RAISE MY GLASS TO THE GREAT LEADER OF A GREAT
NATION, PRESIDENT CARLOS SALINAS DE GORTARI.

9. DRAFT PRESIDENTIAL STATEMENT FOR USE, IF
NECESSARY AT MONTERREY AIRPORT DEPARTURE CEREMONIES,
NOVEMBER 27, 1990

PRESIDENT SALINAS, GOVERNOR TREVINO, FRIENDS AND

NEIGHBORS:

I LEAVE MONTERREY MORE FIRMLY CONVINCED THAN EVER BEFORE THAT MEXICO AND THE UNITED STATES ARE SEIZING EVERY OPPORTUNITY TO PREPARE OUR BILATERAL RELATIONSHIP FOR THE GLOBAL COMPETITION OF THE 1990S. IN MY TALKS WITH PRESIDENT SALINAS, WE AGREED ON THE NEED TO ADVANCE BOTH THE URUGUAY ROUND OF GATT AND OUR BILATERAL FREE TRADE AGREEMENT AS EXPEDITIOUSLY AS POSSIBLE.

THERE'S NO TIME TO LOSE IN MODERNIZING OUR ECONOMIC COOPERATION AND PUTTING IT TO WORK IN CREATING JOBS, RAISING PRODUCTIVITY, AND FACILITATING COST-EFFECTIVE INVESTMENTS.

A STRONG MEXICO IS GOOD FOR THE UNITED STATES, A STRONG UNITED STATES IS GOOD FOR MEXICO, AND FREE TRADE IS A SURE PATH TO GREATER PROSPERITY FOR US BOTH.

AT THE SAME TIME, WE DISCUSSED WAYS TO ENSURE THAT OUR SOCIETIES ARE AS HEALTHY AS OUR ECONOMIES ARE DYNAMIC. THE WAR AGAINST DRUGS, EDUCATIONAL AND ENVIRONMENTAL COOPERATION, AND CLOSE COORDINATION ALL ALONG OUR 2,000 MILE BORDER ARE WAYS TO REACH THIS GOAL.

PRESIDENT SALINAS, YOUR LEADERSHIP HAS DONE SO MUCH TO MAKE A STRENGTHENED PARTNERSHIP BETWEEN MEXICO AND THE UNITED STATES POSSIBLE. YOUR FAR-SIGHTED COMMITMENT TO MODERNIZATION, ELOQUENTLY EXPRESSED IN YOUR RECENT STATE OF THE NATION ADDRESS, POINTS THE WAY TO BILATERAL COOPERATION THAT SIMPLY IS BETTER THAN EVER.

MY IMPRESSION THESE LAST TWO DAYS PERSUADE ME THAT A NEW MEXICO IS IN THE MAKING. MONTERREY'S INDUSTRIAL RESILIENCE, AGUALEGUAS' HEART, AND NUEVO LEON'S ENERGY GIVE MEXICO'S FUTURE UNIQUE PROMISE. OUR RELATIONSHIP, OUR HEMISPHERE, AND OUR WORLD ARE SURE TO BE THE BENEFICIARIES OF YOUR SUCCESS.

BARBARA AND I THANK YOU AND CECILIA FOR YOUR WONDERFUL HOSPITALITY, AND WE LOOK FORWARD TO RECEIVING YOU BOTH WHEN WE NEXT MEET IN THE UNITED STATES.

THANK YOU VERY MUCH. NEGROPONTE

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