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Folder Title:

Summit of the Americas, April 1998 [2]

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Special Envoy for the Americas-Farnsworth, Eric

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Fernando Henrique Cardoso, President of Brazil to President William Jefferson Clinton (2 pages)	11/10/1997	P1/b(1)
002. note	Handwritten notes from Mack/Steinberg Summit Meeting (3 pages)	01/13/1998	P1/b(1)
003a. briefing paper	Meeting with Genaro Arriagada (2 pages)	01/22/1998	P1/b(1)
003b. talking points	[Talking Points for meeting with Genaro Arriagada] (15 pages)	01/21/1998	P1/b(1)
004a. memo	Patrick DeSouza to James Steinberg, re: Your Meeting on the Santiago Summit (5 pages)	01/26/1998	P1/b(1)
004b. memo	Andrew Friendly to Mack McLarty, re: Santiago Advance Meeting [partial] (1 page)	01/21/1998	b(7)(E)
004c. memo	Samuel Berger and Mack McLarty to the President, re: Your Trip to the Santiago Summit of the Americas (4 pages)	n.d.	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
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FOLDER TITLE:

Summit of the Americas, April 1998 [2]

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RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Nelson W. Cunningham

03/27/98 10:28:59 AM

Record Type: Record

To: See the distribution list at the bottom of this message

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Subject: Calls when on the road.

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Steven J. Ronnel/WHO/EOP
Eric Farnsworth/WHO/EOP
Ana Maria Salazar/WHO/EOP
Daniel Lesmez/WHO/EOP
Carl Lingenfelter/WHO/EOP

March 8, 1998

MEMORANDUM FOR MACK MCLARTY

FROM: ERIC FARNSWORTH 

SUBJECT: VICE PRESIDENTIAL DELIVERABLE FOR SANTIAGO

Building on earlier discussions we've had concerning a post-Summit Vice Presidential visit to the Latin America/Caribbean region, and taking into account hemispheric concern that US interest in summitry may wane after the President visits Santiago, I would propose we publicly announce two additional deliverables at the Summit:

- Strong support for a follow-on Summit to Santiago, preferably with agreed timeframe and host nation identified; and,
- Presidential commitment to send the Vice President to the region within 12 months to assess Summit implementation and report impressions directly back to the President.

These two steps would reassure hemispheric leaders of our continued commitment to the Americas beyond the current Administration, and also to the program we began in Miami. It would also provide momentum for enhanced implementation efforts, and give the Vice President an additional hook with which to merge hemispheric policy and politics as we head toward 2000.

Might we consider a short visit with Leon Fuerth in the near future to discuss?



Q E r o l - n e - y
Y = d e s i

NANCY ZUCKER BOSWELL, Esq.
MANAGING DIRECTOR

TRANSPARENCY INTERNATIONAL - USA

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E-mail: tiusa@aol.com

- corruption issue very special follow-up.
- US ratification on inter American corruption convention

state 2 question, waiting for DOT action
extent of reservations

James Borch
Philo de Rozia L 7-9773
John Harris DOT/0117 574-0020
Mark Richard 574-2333



Transparency International USA

The coalition to curb corruption in international business transactions.

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FAX

To: Eric Farnsworth
Fax #: 486-7580
From: Nancy Zucker Boswell
Managing Director
Date: March 11, 1998
No. Pages: 6 inc. cover

Thank you for contacting me today to discuss the status of the Interamerican Convention Against Corruption. We appreciate your following the status of the Convention closely, and urge you to make best efforts for its transmittal to the Senate prior to the President's April 18 trip to Santiago for the Summit of the Americas.

As we discussed, enclosed are our recommendations for the Santiago Summit and the San Jose Business Forum, prepared by Transparency International-USA in consultation with other TI national chapters in the Americas. We have highlighted specifics that we think are critical elements for inclusion in the leaders' plan of action and would appreciate Mr. McLarty's raising them in his discussions with leaders and SIRG ministers.

I look forward to seeing you in San Jose.

**RECOMMENDATIONS OF TRANSPARENCY INTERNATIONAL
ON COMBATING CORRUPTION
FOR THE SUMMIT OF THE AMERICAS**

Considering the commitments made to combat corruption in the Plan of Action of the 1994 Summit of the Americas,

A.- Under the Agenda Heading, " Democracy and Human Rights: Actions to Combat Corruption":

Before December 31, 1998, governments will:

i) Encourage ratification of the Interamerican Convention Against Corruption and take concrete steps to implement the commitments.

ii) Promote legislation to establish and enforce standards of conduct, rules regarding conflict of interest and the incompatibility of public office and private interests, requirements for public disclosure of assets of high level public officials and their families, in the executive, legislative and judicial branches, and legislation to create national organizations for oversight of such laws.

iii) Establish an OAS secretariat (similar to the CICAD model) with adequate resources from IDB and national governments to promote the implementation of the convention and to monitor progress, including by mutual evaluation, with annual reports to ministers.

B.- Under the heading of the Agenda "Democracy and Human Rights: Actions Destined to Strengthen Civil Society Participation":

By December 31, 1998, governments will promote legislation requiring the timely publication of information regarding government activities, including budgets and expenditures, public access to information, and public hearings for expression of the opinion of citizens.

C.- Under the heading of the Agenda "Democracy and Human Rights: Actions in the Area of Strengthening the Judicial System":

By December 31, 1999, in order to promote independence, integrity and transparency in the administration of justice, governments will publish criteria for selection and provide public review of candidates; promote merit selection of judges, train in the highest ethical standards, and create oversight mechanisms; and strengthen the role of public prosecutors.

D.- Under the heading of the Agenda: "Economic Integration and Free Trade":

i) Conclude negotiation of a regional agreement on transparency in procurement for approval and implementation before December 31, 1998.

ii) Encourage the use of "no bribe commitments" and corporate codes of conduct that prohibit bribes in public bidding as well as in projects financed by the IDB.

iii) Instruct the Interamerican Development Bank to adopt regulations, procedures, and policies of the highest standard for public bidding.

iv) Take immediate measures to eradicate corruption in customs offices.

Transparency International USA

The coalition to curb corruption in international business transactions.

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POSITION PAPER OF TRANSPARENCY INTERNATIONAL FOR THE IV BUSINESS FORUM OF THE AMERICAS, SAN JOSE, COSTA RICA MARCH 16-18, 1998:

PROMOTING TRANSPARENCY THROUGH THE FTAA PROCESS

INTRODUCTION: AGENDA FOR THE YEAR 2000

At the Santiago Summit in April, 1998, the leaders are scheduled to launch the final negotiations for the Free Trade Area of the Americas (FTAA.) Trade Ministers, convening in March, 1998 in Costa Rica, should recommend that leaders commit to steps that will yield concrete progress in creating the environment of transparency and predictability in which free trade will flourish by 2000. In an ever more competitive global economy, bribery and other corruption have become a powerful deterrent to trade and investment. Rapid progress in eliminating them can be a powerful tool to enhance economic growth, creating jobs and raising the standard of living. Such progress would also constitute the early harvest results that are key to maintaining momentum in the FTAA process.

The leaders made a good beginning in 1994 when they brought the issue of corruption out of the shadows and gave it a prominent place on the Miami Summit agenda. The Summit was a watershed in confronting the issue with a new frankness. The leaders adopted a Declaration and Plan of Action that recognized that prosperity depends on economic integration and free trade and that this objective would be undermined if corruption were not reduced. Therefore, they committed to create open and transparent markets and specifically to launch "a comprehensive attack on corruption."

The 1994 Summit Plan of Action laid out the fundamental changes necessary to defeat corruption:

- 1- "reforms to make government operations transparent and accountable";
- 2- "facilitating public access to information necessary for meaningful outside review";
- 3- "conflict of interest standards and effective measures against illicit enrichment";
- 4- "strengthening procurement";
- 5- "a hemispheric approach to acts of corruption through negotiation of a new hemispheric agreement".

These commitments are of great significance to the business community. They are the basic building blocks that will create a favorable investment climate and generate economic growth. All the FTAA working groups should recognize that corruption and lack of transparency threaten to undermine progress whether on investment, government procurement, intellectual property rights, services, customs, or market access.

Transparency International (TI) submits the following comments and recommendations to the IV Americas Business Forum as part of its ongoing support for the Summit process. The Business Forum's recommendations to the ministers are important to securing the requisite elements of an

environment conducive to trade and investment, one where transparency, accountability, and predictability are the norm. The Business Forum and the FTAA working groups should consider these realistic, achievable, concrete steps to create this environment. There is already consensus among governments, the private sector, NGO's and aid donors for these steps.

The following recommendations, prepared by Transparency International - USA, in consultation with the other Transparency International national chapters in the Americas, are intended to provide concrete steps to implement the 1994 Summit Plan of Action commitments.

RECOMMENDATIONS

Issue #1: Ratification and Implementation of the OAS Convention

- The Inter-American Convention Against Corruption, signed in May 1996, is the first regional agreement of its kind. It provides for greater mutual assistance to enable countries to enforce existing laws and to criminalize transnational bribery and illicit enrichment. It also encourages action on the other agenda items from 1994, including transparency in procurement. If fully implemented, this Convention could contribute significantly to creating an environment in which business can flourish, and would constitute a key hemispheric early harvest. While many countries have signed the Convention, it is necessary for more to ratify it in order for it to succeed.

Recommendation #1:

The Americas Business Forum should encourage ministers to promote the ratification and implementation of the Convention by the year 2000 as a priority and should require annual progress reports.

Issue #2: Transparent Legal Systems

- Concrete steps are still needed to make government operations transparent and accountable. The 1994 Summit Plan of Action states that "[A]ll aspects of public administration in a democracy must be transparent and open to public scrutiny."

Recommendation #2:

All FTAA working groups should encourage independent and transparent legal systems that provide for fair competition in their area of competency. This includes transparency and impartiality in participating countries' administrative and regulatory procedures.

Issue #3: Public Hearings and Access to Information

- Lack of information can be a critical barrier to fair competition. Business competitors and citizens should be able to easily determine the legal rules and relevant information that will be applicable.

Recommendation #3:

All FTAA working groups should take steps to promote the incorporation of provisions to ensure adequate disclosure, public access to information and legal standards, and public hearings and review processes.

Issue #4: Conflict of Interest Standards

- The public good and not private interests should govern public sector decisions on such issues as procurement and privatization. Fair and equitable treatment and impartial, non-discriminatory public administration should be the norm.

Recommendation #4

Participating governments should promulgate, and public employees should be informed of and subject to codes of conduct and conflict of interest standards with effective sanctions for noncompliance.

Issue #5: Procurement

- Since the 1994 Summit, when leaders agreed to give priority to strengthening government procurement systems, the FTAA working group on transparency in procurement has made progress toward a regional agreement.

Recommendation #5:

Early conclusion of such an agreement should be a high priority business facilitation early harvest objective. The agreement should require best practices including: providing bidders with adequate notice; establishing open meetings among all bidders to review or discuss bid specifications; publishing bid documents and specifications in widely accepted terms; spelling out in bidding documents the objective criteria on which awards will be based and providing other open opportunities to obtain relevant information; adopting sealed tender procedures; providing adequate transparency in the award process to demonstrate that those criteria governed the award; and providing bidders with access to independent review and remedies for non-compliance with these requirements.

- The importance of the highest standards in public procurement has been underscored by the World Bank and Inter American Development Bank (IDB), which have adopted anti-corruption provisions in their procurement guidelines, including requirements for disclosure of commissions paid to agents, provisions for the Bank to conduct audits, procedures for investigating bribery allegations and for declaring corrupt contractors barred from future bidding, and provisions for the use of antibribery pledges on Bank-financed projects.

Recommendation #6:

The IDB should encourage the use of antibribery pledges on bank-financed projects with commitments by bidders not to pay bribes, to adopt compliance programs, and to report commission payments. They should also encourage bidders to have corporate compliance programs to promote best practices in IDB-financed projects.

- The World Bank and the IDB can play a leadership role by applying a single set of consistent rules to ensure adequate anticorruption controls.

Recommendation #7:

The World Bank and the IDB should take steps to standardize rules, forms, and procedures to pave the way for universal agreement on transparency in procurement at the WTO.

Issue #6: Customs

- In customs matters, corruption, such as under- and non-invoicing, bribery, and a lack of transparency have been long-standing problems which, if unchecked, can seriously discourage trade, diminish governmental revenue and impair benefits of trade liberalization negotiated under an FTAA. This is an important area for early action.

Recommendation #8:

Customs conventions, procedures, and policies should be harmonized and simplified in the region and world-wide. Information on customs laws, regulations, administrative guidelines, procedures and rulings should be transparent and accessible to users. A transparent, independent, and timely

appeals procedure should be available for erroneous or inequitable customs decisions.

Issue #7: Civil Society Participation

- The Summit Plan of Action calls for more open discussion, public access to information and review of regulations to facilitate the operation of non-governmental actors. Civil society played an important role in formulating the commitments undertaken by the leaders in Miami and in preparation for the Bolivia Summit on Sustainable Development.

Recommendation #9:

Ministers should recommend the opportunity through specific, clearly defined mechanisms, for civil society organizations to be constructive partners with the private and public sectors by providing a regular channel for input and opportunity to be present at proceedings.

ABOUT TRANSPARENCY INTERNATIONAL

Transparency International, a non-profit, non-partisan NGO headquartered in Germany, is the leading advocate of action to curb corruption. TI national chapters in over seventy countries, including seventeen in the Americas, are coalitions of leaders from major business enterprises, the legal and development communities, academia, and civic organizations. Some have held high public offices.

They are building public understanding of the adverse impact of corruption on open markets, democracy, and sustainable and equitable development. They are forging partnerships in support of constructive action by the public and private sector in both industrialized and developing countries around the world. To promote best practices by the private sector in foreign markets, TI chapters supported the recently signed OECD Convention on Combatting Bribery of Foreign Public Officials, which criminalizes bribery of foreign public officials. Several countries in the hemisphere are signatories, including Argentina, Brazil, Canada, Chile, Mexico, and the United States. TI also contributed to the 1996 adoption of the International Chamber of Commerce Rules of Conduct on Extortion and Bribery, voluntary rules which would prohibit bribery for any purpose.

In the Americas, TI chapters encouraged the adoption of important anticorruption commitments by the leaders of the hemisphere at the 1994 Summit of the Americas in Miami. They have worked since that time for the implementation of those commitments through systemic reform at the national level. TI commends the OAS and the leaders for concluding the InterAmerican Anticorruption Convention, an important milestone.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

MAR 31 1998

Handwritten:
Nelson
Evans
Dahl

MEMORANDUM

Assistant
Administrator
for Latin America
and the Caribbean

TO: White House - Thomas F. McLarty
NSC - James Steinberg
STATE/ARA - Jeffrey Davidow

FROM: AA/LAC - Mark L. Schneider *Ng, Parker*

SUBJECT: President's Trip to Chile

This memorandum suggests four options for a Presidential visit in Chile. They are all poverty-oriented with good photo opportunities. In addition, they all reflect a substantial USG role in Chile in influencing important policies that will have long term effects.

LEGAL ASSISTANCE CENTER: The Lo Prado Center (near the airport and not in the Ministry Office) provides legal services to poor people as part of the overall reform efforts in Chile to make justice accessible, accountable and responsive to all members of society. The current Minister of Justice is the principal architect of Chile's first judicial reform bill in over 100 years and is one of three female Frei cabinet members. USAID has promoted judicial reform since the early 90's, assisting with activities ranging from penal code revision to police and prosecutorial training to legal aid and public education. The Center was established by the Corporation for University Promotion (CPU), an NGO, to bring rule of law to local communities by providing alternative dispute resolution techniques and other social services. This event will feature poor people who have received services from CPU and are telling their life stories.

LOW INCOME HOUSING PROJECT: This housing project is similar to the one the President visited with high visibility in South Africa. It has the same visual effects with the participation of low-income families, especially women heads of household. A possible site to be visited is San Bernardo, which is close to the Santiago metropolitan area. This activity is run by the Corporation for Popular Housing, supported by USAID's Housing Guaranty Program. Since USAID's initial investment of \$10 million, the program has

- 2 -

become self-sustaining and has built over 30,000 new units. As a direct result of USAID's assistance, Chile now has one of the most innovative and progressive finance systems for low-income housing in the world.

PILOT VOCATIONAL TRAINING HIGH SCHOOL: In 1992 USAID funded a public-private partnership to introduce competency-based education (CBE) to Chile's vocational technical high schools in poverty areas. Over 50 curriculum developers went to Ohio State and Ferris College in California to learn CBE methodology. The first group of Chilean students has just graduated from the pilot school in downtown Santiago. A Presidential visit to the school would be an opportunity for the students to talk about the training and their success in obtaining jobs in the construction industry. Given the positive results of this program, the Ministry of Education is basing its new high school vocational technical reform on the CBE methodology, developed by USAID.

PRIVATE PHILANTHROPY IN EDUCATION: President Frei inaugurated on March 25 the La Pintana school, sponsored by the Chilean NGO PARTICIPA (PARTICIPA is one of the five NGOs in Latin America that USAID supports to establish a civil society network in the Region. There are over 80 NGOs in this network.), and funded by a construction firm which contributed \$310,000. This significant private donation was the result of a new law which provides tax breaks for private philanthropy in the educational area. The school is situated in one of the poorest sections of Santiago, where outcasts were relocated during the dictatorship. Today, still over 40% of the population in that community do not have access to schooling. A Presidential visit would highlight the importance of education for the disadvantaged as well as the need for private sector involvement - two themes President Clinton is advocating in his initiatives for educational reform here at home.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

March 30, 1998

Assistant
Administrator
for Latin America
and the Caribbean

MEMORANDUM

TO: White House - Mack McLarty
NSC - James Steinberg
State/ARA - Jeffrey Davidow
State/EPSC - Richard Brown

FROM: AA/LAC - Mark L. Schneider *MS*

SUBJECT: Potential New Summit Deliverables

LABOR:

Labor issues are an important component of the Santiago Summit. USAID provides assistance to the region on a range of other labor related issues. Two of these activities could become deliverables announced at the Summit.

1. Strengthening Central American Labor Ministries

The Santiago Plan of Action includes a specific action item focussed on modernization of labor ministries. The White House can announce a new \$3 million program of USAID's to implement this portion of the Plan of Action. In addition, the IDB, with technical cooperation from USAID, recently concluded its discussions with these same Ministries to help them in their modernization efforts. This \$6 million IDB project will include \$1 million from USAID, \$1 million from the Central American labor ministries and \$4 million from IDB. The IDB loan is scheduled for approval in April/May. In May, there will be a conference of Central American Labor Ministers and an MOU signed with USAID and the IDB to implement the program.

2. Out of Danger - Back to School Program

USAID has set aside \$1 million for a new child labor initiative that can be announced in conjunction with the Summit. For poor families, keeping children in school is a major challenge. Often, the income the children earn is needed just to meet the families subsistence needs. USAID has supported an innovative "back-to school" program for youths in Brazil that we plan to expand to Central America. A pilot program in Guatemala already takes 100 kids out of high risk occupations (fireworks and quarry work). The program provides families with a stipend for school age youth who return to school.

- 2 -

The stipend is intended to offset the loss of income the family incurs without the child earning income. To remain in the program, the child must attend school regularly and be promoted to the next grade level at the end of the year. The program also includes small grants to local organizations that assist the youth with their school work.

Climate Change

Enhanced Decision-making to Reduce Disasters

With much of its area located in or in close vicinity to the tropics, the Americas are among the regions most immediately and directly impacted by El Niño. In addition to property damage and loss of human life, El Niño related climate variability can effect agricultural productivity; the availability of water; the output of fisheries; the integrity of transportation, telecommunications and civil infrastructure; and the spread of life-threatening and costly diseases such as malaria, dengue and cholera. The recently developed capacity to predict El Niño events, in some cases as much as a year in advance, offers tangible opportunities to better prevent and prepare for disasters.

Forecast information related to the development of the current El Niño and climatic data generated by NOAA/CPC and the International Research Institute (IRI) for Climate Prediction was available during the Northern Hemisphere Summer of 1997. By late Fall, 1997, the USAID established a regional network of coordinators and information exchange designed to mitigate and respond to the disasters that have historically been associated with El Niño in the Pan American region. Equipped with these tools provided by US agencies and the IRI, several countries in the Pan American region have launched efforts to mitigate the negative consequences of the current El Niño.

While it is still too early to determine the overall success of these regional efforts, the need for and potential of a Pan-American Climate Information Activity to enhance decision-making and reduce disasters is evident. To meet this challenge, the US proposes to work with our partners in the Pan-Americas to develop a regional capability to produce, interpret and apply new climate forecasting skills to mitigate the impacts of life-threatening and economically disruptive climate variations.

TRADE

Ensuring full participation of the smaller economies in the FTAA process.

The Hemisphere's 34 countries have embarked on establishing the Free Trade Area of the Americas (FTAA) by 2005. USAID, in partnership with the IDB is assisting the hemisphere's smaller-economy countries to prepare for membership in the FTAA, with a special emphasis on assisting Caribbean countries to harmonize trade practices and regulations with World Trade Organization (WTO) standards. Due to the small size of their economies, Caribbean countries have limited capacity to prepare for FTAA negotiations, develop necessary extensive legal frameworks, create new trade-related institutions, and make structural adjustments, resulting from the elimination of trade barriers, necessary for accession to the FTAA.

USAID and IDB assistance will provide an electronic information and communication system for CARICOM's 14 trade ministers and London-based chief negotiator (a) to share information among members to advance the trade negotiation process, and (b) to assist members in implementing trade liberalization, developing negotiation platforms, etc. The system will provide high-level document security to protect politically-sensitive information and Internet integration for non-sensitive information. USAID plans to sign an MOU with IDB and CARICOM for this activity. It could be timed to coincide with the Summit.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

News
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March 13, 1998

Assistant
Administrator
for Latin America
and the Caribbean

MEMORANDUM

TO: White House - Thomas F. McLarty
NSC - James Steinberg
NSC - James Dobbins
ARA - Jeffrey Davidow

FROM: AA/LAC - Mark L. Schneider *MS*

SUBJECT: New Deliverable: Association of Bilateral AID
Donors for Summit Implementation

Following the SIRG meetings this week, I attended a meeting called by the Chileans to discuss donor cooperation in the hemisphere. Eight countries were present at the meeting including: Argentina, Brazil, Canada, Chile, Colombia, Mexico, Venezuela and the U.S. Genaro Arriagada chaired the meeting. Others attending included the Executive Director of the Chilean technical cooperation agency (Jacqueline Weinstein), the Director General of Technical Cooperation in the Mexican Ministry of Foreign Relations (Amb Perez Bravo), and the Deputy Head of the Canadian aid program. The remaining countries were represented by the heads of their SIRG delegations.

The purpose of the meeting was to discuss Chile's proposal for the development cooperation agencies of the eight countries attending the meeting to work together on implementation of the Santiago Plan of Action. The proposal calls for each of the eight countries to agree to exchange information and coordinate its Summit implementation activities. In addition, countries would ideally set aside funding for this purpose. Chile stated that it plans to provide from \$7 million to \$10 million annually for the next three years for this purpose. The \$20 million Presidential Initiative included in LAC's FY 99 budget request would provide USG program resources for this cooperative effort.

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Note that the Chileans are not proposing a common fund but rather the cooperative use of each agency's individual resources to maximize everyone's returns on these investments.

To guide these efforts, the proposal recommends that a coordinating body, consisting of the heads of the technical cooperation agencies for the LAC region in each country, be established. This body would meet once a year and be chaired in the first year by the Chileans.

Genaro has discussed the proposal with the Presidents of Brazil, Argentina, Colombia and Venezuela, and all have expressed their support for the idea. In addition, Jose Miguel-Insulza has discussed the idea with President Zedillo who is also interested in the proposal. (FYI: President Zedillo has recently signed a proposal to establish an Agency for International Cooperation within the Mexican government.)

All of those present endorsed the idea of coordinating technical cooperation programs in support of Summit objectives. Brazil was particularly emphatic about its support. Mexico's representative, however, emphasized that while Mexico has the capacity to assist less well off nations in the hemisphere, it continues to require donor support to address specific development constraints.

Making this happen requires:

- A paragraph in the political declaration urging donors to support implementation of the Summit's Plan of Action;

- A side agreement signed by the eight Presidents committing their respective technical cooperation agencies to this specific effort.

- The creation of an executive steering committee to guide the efforts.

Based on the positive responses the Chileans have received to date, Genaro will be sending out a letter in the coming week requesting a meeting in conjunction with the early April plenipotentiary in Santiago to reach agreement on their proposal.

The Chilean proposal has many attractive features and could become an important deliverable associated with the Summit. It dispels the notion that once a recipient of donor assistance always a recipient. In addition, the Chilean proposal adds new resources from a new set of donors to address sustainable development issues in the hemisphere.

At the meeting chaired by Genaro, I indicated USAID's full support for this proposal.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

MAR 13 1998

Honorable Thomas F. McLarty
Counselor to the President
Special Envoy for the Americas
The White House
Washington, DC 20500

mad
Dear Mr. McLarty:

I am writing to tell you about some of the items the Small Business Administration (SBA) would bring to the upcoming Summit of the Americas and to bring you up to date on my activities in Latin America. I see the Summit as a good opportunity to continue SBA's efforts to create trade partnerships for U.S. small businesses and contribute to other efforts to develop the small business community in Latin America.

First, I would propose to demonstrate the Small Business Administration's Internet technology. This week, I participated in the business development session at the 10th meeting of the Gore-Chernomyrdin Commission. During that meeting, the Vice President stressed the importance of small business as the catalyst of economic growth in Russia. My Russian counterpart, Irina Khakamada, and I both spoke of our efforts to link small businesses using the Internet. In response to our presentations the Vice President asked us to demonstrate Internet technology for business development at the next Commission meeting. SBA would propose to demonstrate its existing on-line services at the Informatics 2000 – an exhibition sponsored by the Inter-American Development Bank during the Summit. SBA has an exciting array of on-line services for small businesses including: (1) Pro-Net, (2) On-line Women's Business Center, (3) AceNet, (4) SCORE-on-line, (5) TradeNet (in development), and (6) U.S. Business Advisor.

Second, I want to announce at the Summit our completion of external cooperative agreements with Mexico and Argentina. These agreements will enhance trade opportunities for United States small businesses through joint ventures, provide technical assistance and guidance to establish capital programs in those countries, and exchange technology which facilitates business development. The Mexico agreement establishes programs to create business linkages that would lead to joint ventures, licensing and subcontracting arrangements, and distributorship agreements between Mexican and United States' small businesses. The Argentina agreement establishes the SBA as a technical advisor to Argentina as it creates its own "SBA." In return, the SBA receives assistance from Argentina to determine business opportunities for United States' small businesses. These agreements are a result of my prior visits to these countries with the President.

Third, I want to announce a partnership between SBA and the Inter-American Development Bank (IDB). This partnership will allow me to leverage SBA's work to support U.S. small business opportunities throughout the hemisphere. At the summit, SBA and the Inter-American Development Bank would host a round table discussion with my Summit counterparts to explore ways to improve job opportunities and strengthen economies through small business growth.

SBA and the Inter-American Development Bank will also announce their decision to host a conference this fall with small business ministers from the throughout the hemisphere. This conference will share best practices; legislative and structural approaches; technology developments; community building mechanisms; and ideas to strengthen the small business sector.

Fourth, I want to announce a partnership agreement with the IDB, the U.S. Agency for International Development (USAID) and DEVNET/TIPS. DEVNET/TIPS is the Trade Information Promotion System, an international information network for technology trade. This agreement will facilitate electronic commerce and extend the use of technology in trade partnering.

I believe that SBA's participation at the Summit will assist the President's continued leadership in the economic development and trade relations of the hemisphere. I hope you can support SBA's participation in the Summit. Thank you for your kind attention to this request.

Sincerely,

*Things are going
very well here,
although we've
had some "exciting"
moments on the Hill.
I hope you and
your family are well.*

Aida
Aida Alvarez
Administrator

SBA'S PROPOSED PARTICIPATION AT THE SUMMIT OF THE AMERICAS

The U.S. Small Business Administration (SBA) proposes to participate in the Summit of the Americas (The Summit), hosted by Chile and the United States, April 15 - 20, 1998. At the Summit, there will be strong interest in small business and its role in the continued economic development in the Hemisphere, in technology's role in enabling change, and in community information service centers. Administrator Alvarez's participation in the Summit will send a strong message to the leaders of the Hemisphere: *Technology and trade partnership are the keys to increase international small business opportunities.*

Technology

To address the Summits theme of "Education and Developing Networks," SBA can demonstrate and explain the use of its Internet-based services for small business. Leaders from throughout the Hemisphere will have an opportunity to experience first-hand the possibilities these networks present to small business, trade development, and entrepreneurial development. Many nations have expressed interest to learn how SBA integrates technology in its mission to create opportunity for small business. In fact, during the recent business development session at the 10th Gore-Chernomyrdin Commission Russian small business minister, Irina Khakamada, and Administrator Alvarez both stressed the importance of the Internet to convey information and trade connections. In response to their presentations the Vice President Gore asked them to demonstrate the importance of Internet technology for business development at next Commission meeting.

The forum for this demonstration will be Informantics 2000, an exhibition sponsored by the Inter-American Development Bank during the Summit. Examples of SBA's use of the Internet include: *Pro-Net*, an Internet-based database of more than 173,000 small businesses seeking Federal procurement opportunities; the On-line Women's Business Center (OLWBC), now in Spanish and English, an interactive business skills training website and *AceNet*, an electronic forum for angel investors and small businesses seeking venture capital. The Summit is an ideal platform to showcase this technology.

SBA would also preview its latest developing advancement, *TradeNet*, at the Summit. TradeNet will include: (1) a self guided assessment of trade-readiness; (2) links to organizations which can assist businesses in accessing the global market place; (3) gateways to government and private sector trade opportunity resources; and (4) information and applications for U.S. trade financing through SBA's Export Working Capital Program (Export Express), SBA's on-line international risk analysis for financing export transactions. *TradeNet's* ability to be useful and educational to small business illustrates how technology creates international business opportunities.

SBA can also announce the completion of an MOU with the United States Agency for International Development (USAID) and DEVNET, and non-government organization which runs Trade Information Promotion System (TIPS). This agreement will allow SBA to link American small businesses to TIPS' resources. TIPS develops trade leads after conducting on-site interviews and technology requirement reviews with members of government and business communities. This information is then used to match demand-driven technology needs to US companies via the Internet and TIPS' database. To date, TIPS accesses 3,000 U.S. businesses through the USAID. SBA can offer immediate access to more than 173,000 small businesses through *Pro-Net*. This agreement is another example of how SBA successfully utilizes technology and strategic partnerships to create trade opportunities for U.S. small business.

Trade Partnerships

SBA's Administrator has provided strong, international leadership on the necessity to share best practices and innovations that create small business opportunities for United States small business. SBA is finalizing and is scheduling to sign External Cooperative Agreements (ECA) with the governments of Mexico and Argentina. The agreements lay the groundwork for a unique exchange of ideas, experience and information. The Mexico agreement defines programs that create business linkages that would lead to joint ventures, licensing and subcontracting arrangements and distributorship agreements between Mexican and United States' small businesses. The Argentina agreement establishes the SBA as a technical advisor to Argentina as it creates its own "SBA". In return, the SBA receives assistance from Argentina to determine business opportunities for United States' small businesses.

In both agreements SBA's resource partners serve as examples of how Mexico and Argentina can establish community-based business information centers. These resource partners are: Business Information Centers (BICs), Women's Business Centers (WBCs), Service Corps of Retired Executives (SCORE), and Small Business Development Centers (SBDCs). These agreements are examples of governments cooperating to achieve trade opportunity. Ultimately SBA wants to link U.S. small businesses to trade leads and export opportunities through the relationships developed under these agreements.

SBA will also partner with the IDB to enhance hemispheric business development. SBA plans to hold an international conference for the small business ministers of the Americas. The international development community has expressed a keen interest in SBA's programs. We repeatedly hear that a strong small business community is the key to stable economic growth. The proposed seminar would provide a forum in which the hemisphere's small business leaders can discuss and facilitate mechanisms for strengthening the small business sector. This partnership will allow SBA to share its experience, to explore best practices of development, and to identify increased trade opportunities for U.S. small business. The Summit would be an ideal opportunity to announce the forum and garner support for such an event.

In conclusion, SBA's actions demonstrate the power and the possibilities offered by technology and trade partnership. SBA's potential agreements with Mexico, Argentina, IDB and USAID/TIPS exemplify Administrator Alvarez's commitment increase business opportunities for United States small business. These partnerships can establish more small business opportunities with other countries of the Hemisphere.



**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE UNDER SECRETARY**

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FAX COVER SHEET

TO: *Eric Farnsworth*

FROM: *Lenore Garcia*

FAX No: *452-7586*

NUMBER OF PAGES INCLUDING COVER SHEET 2

**IF YOU DID NOT RECEIVE THE COMPLETE TRANSMISSION, PLEASE CALL
(202) 401-0430**

MESSAGE:

*This is a copy of what was
requested from us by State.
Thank*

Education and the Summit of the Americas

Education has emerged as first on the Summit agenda because it is universally recognized as a key to economic growth, viable democracy, and social stability in economies increasingly dependent on knowledge and skills rather than sheer manpower. In the past, much of the region was characterized by good education for a small privileged minority, and dearth of access and low quality for the vast majority. There is a general consensus that access for all to high-quality education is what is needed to allow Latin America to join the ranks of the developed world, and to ensure continued competitiveness in developed nations, including the US. Significant educational reform is underway in many countries, including our own. A strong, eloquent, public commitment by the Summit leaders is crucial to sustaining reform.

The Hemispheric Plan of Action on Education developed under Mexico's leadership is built on four essential principles of any effective education system: equity, quality, relevance, and efficiency. The Plan commits governments to improving educational opportunity for their citizens through both national and multinational actions, by: targeting resources on the most disadvantaged; establishing systems to evaluate educational quality; upgrading the skills of teachers and school managers; strengthening preparation for the world of work; fostering the development of democratic values; promoting access to information and communication technologies; and increasing educational exchange. The IDB, World Bank, and OAS have pledged significant support for these commitments.

- Today, as our nations rapidly integrate into a competitive global economy, there is a critical need for a well-educated, well-trained, technologically literate work force. The remarkable advance of democratic governments, to be sustained, calls for participation of a literate, informed citizenry; education for all will raise the incomes of the poor and thus diminish forces of social instability. Education is the fundamental building block for the 21st century. This is as true in Chicago as it is in Santiago.
- Only the decisions of national governments can assure sound policies and adequate resources for education. But a Summit should also be about what we will do *together* to face this critical challenge. We fully support the Plan of Action and look forward to working together to implement it. We welcome the support of multilateral agencies. When we meet again at the next Summit, we must show concrete results -- in the form of better education for all of our citizens.



OFFICE OF REGIONAL ECONOMIC POLICY AND SUMMIT COORDINATION

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Washington, D.C. 20520

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DATE: 3/2/98

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FROM:

Christian Kennedy

PHONE: 647-3141

REMARKS:

Policy declarations. English and Spanish.

*Card
education info for other
Princeton speaker & other
education related
statements
EP*

NUMBER OF PAGES INCLUDING COVER: 21

**HEMISPHERIC MEETING OF MINISTERS OF EDUCATION IN
THE FRAMEWORK OF THE II SUMMIT OF THE AMERICAS
MÉRIDA, MEXICO, FEBRUARY 26-27, 1998**

POLICY DECLARATION

EDUCATION IS THE DETERMINING FACTOR TO REACH SOCIAL, CULTURAL, POLITICAL AND ECONOMIC DEVELOPMENT. IT IS THE KEY ELEMENT THAT ALLOWS THE EXERCISE OF CIVIL RIGHTS AT THE SAME TIME IT ENSURES OPTIMAL CONDITIONS OF COMPETITIVENESS AND PRODUCTIVITY THAT MODERN ECONOMIES REQUIRE.

AT THE END OF THIS CENTURY THE FULFILLMENT OF THESE OBJECTIVES IS BEING STRENGTHENED BY HISTORIC EVOLUTION. TODAY, A STRONG MOVEMENT LEADS US TOWARDS CONTINENTAL INTEGRATION. WITH CLARITY AND DETERMINATION OUR GOVERNMENTS HAVE TAKEN IMPORTANT STEPS TO MAKE THE INTEGRATION OF THE COUNTRIES OF THE CONTINENT EFFECTIVE AND HARMONIOUS.

THE MIAMI SUMMIT HAS DRAWN THE PRIORITY LINES ALONG WHICH INTEGRATION MOVEMENT HAS DEVELOPED IN A SURE AND EFFECTIVE WAY. FOLLOW UP MECHANISMS, TIME FRAMES AND GOALS HAVE BEEN ESTABLISHED.

ECONOMIC AND COMMERCIAL ASPECTS HAVE STOOD OUT IN THE MIDST OF THE SUCCESSION OF TRANSFORMATIONS THAT TEND TO SHAPE A NEW INTEGRATED AREA IN WHICH FUTURE GENERATIONS WILL LIVE. HOWEVER, AT AN IMPORTANT AND DEEPER LEVEL, FOR THE OBJECTIVES OF A JUST AND EQUITABLE, SOCIAL AND ECONOMIC DEVELOPMENT, A BROADER EDUCATIONAL COOPERATION AND ARTICULATION ARE HIGHLIGHTED AS THE GOAL.

WE WISH TO UNDERLINE THE CENTRAL CHARACTER OF EDUCATION TO REACH SIMILAR LEVELS OF ECONOMIC AND SOCIAL PROGRESS IN THE CONTINENT AND AS A GUARANTEE

OF A GENUINE INTEGRATION. PEOPLE CAN BECOME CLOSER IN THIS NEW AREA THROUGH LINKS OF MUTUAL KNOWLEDGE, UNDERSTANDING AND APPRECIATION FOR THE CULTURAL AND ETHNIC DIVERSITY OF OUR COUNTRIES.

EDUCATION BASED ON EQUITY, QUALITY, RELEVANCE AND EFFICIENCY IS A NECESSARY CONDITION SO THAT A HEMISPHERIC ZONE OF FREE TRADE AND INTEGRATION WILL OFFER A BETTER QUALITY OF LIFE FOR ALL THE INHABITANTS OF THE HEMISPHERE.

THIS CONCURRENCE BETWEEN EDUCATION AND FREE TRADE SHOULD BE LINKED TO THE ESTABLISHMENT OF DEMOCRACY AND SUSTAINABLE DEVELOPMENT IN ITS THREE ECONOMIC, SOCIAL AND ENVIRONMENTAL STREAMS, GOVERNED BY ETHICS OF DEVELOPMENT.

THE MINISTERS OF EDUCATION OF THE HEMISPHERE, GATHERED IN MEXICO, ARE PLEASED THAT EDUCATION IS THE DRIVING FORCE OF THE ISSUES TO BE ADDRESSED AT THE SECOND SUMMIT OF THE AMERICAS, AND WE ARE CONVINCED THAT:

THE TRUE WEALTH OF THE COUNTRIES LIES ESSENTIALLY IN THE QUALITIES OF THEIR WOMEN AND MEN. THEREFORE IT IS THEY WHO ENHANCE THE POSSIBILITIES FOR SUSTAINABLE DEVELOPMENT, WITH RESPECT FOR THE ENVIRONMENT.

EDUCATION IS THE IDEAL MEANS FOR MEN AND WOMEN TO LEARN TO KNOW, IN AN UNDERSTANDING AND PARTICIPATORY WAY, ABOUT, WORKING FOR, AND LIVING IN PEACE THROUGHOUT THEIR LIVES AND, THUS, ACQUIRE THE CAPACITY TO IMPROVE AND RAISE THEIR QUALITY OF LIFE.

THE ACCELERATED SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT AND INCREASING GLOBALIZATION OF POLITICAL, ECONOMIC, SOCIAL AND CULTURAL PROCESSES RAISE NEW CHALLENGES FOR EDUCATION. THEREFORE, WE

MUST CONTINUOUSLY RAISE THE QUALITY OF EDUCATION WE PROVIDE TO ALL.

OUR COUNTRIES, TODAY, ARE NOT ONLY GEOGRAPHICALLY LINKED, BUT ALSO INTEGRATE A COMMUNITY OF ASPIRATIONS THAT SEEKS TO BUILD A HEMISPHERE IN WHICH RESPECT FOR LAW AND DEMOCRACY IS REINFORCED; FAIRER RELATIONS TO FACILITATE THE ERADICATION OF POVERTY AND DISCRIMINATION; CONTINUOUS ECONOMIC PROGRESS WITHOUT ENVIRONMENTAL DETERIORATION; AS WELL AS FREER AND MORE EQUITABLE EXCHANGE OF GOODS AND SERVICES.

EDUCATION IS A STRATEGIC ELEMENT TO IMPROVE QUALITY OF LIFE, FACILITATE THE EXERCISE OF CIVIL RIGHTS, GUARANTEE THE PRESERVATION OF THE ENVIRONMENT, ENSURE CONDITIONS OF COMPETITIVENESS AND PRODUCTIVITY FOR THE ECONOMY AND FOSTER A CULTURE OF LIVING TOGETHER IN HARMONY AMONG OUR NATIONS, RECOGNIZING THE PLURICULTURAL, MULTIETHNIC AND MULTILINGUISTIC CHARACTER OF OUR CONTINENT STEMMING FROM ITS GREAT CULTURAL HERITAGE.

EDUCATION IS THE RESPONSIBILITY OF EDUCATIONAL INSTITUTIONS AND, FUNDAMENTALLY, ALL OF SOCIETY, BECAUSE EDUCATION IS ALSO PROVIDED WITHIN THE FAMILY, IN THE GROUPS TO WHICH THEY BELONG, IN THEIR COMMUNITIES AND THROUGH COMMUNICATIONS MEDIA.

OUR COMMUNITY OF ASPIRATIONS REQUIRES A MORE INTENSE COOPERATION BETWEEN OUR COUNTRIES TO FOSTER EQUITY, QUALITY AND RELEVANCE IN EDUCATIONAL SYSTEMS.

THEREFORE, THE MINISTERS OF EDUCATION OF THE HEMISPHERE, IN AGREEMENT WITH THE ACTION PLAN SUBMITTED TO THE CONSIDERATION OF THE HEADS OF STATE AND OF GOVERNMENT OF THE II SUMMIT OF THE AMERICAS, PROPOSE TO:

REDUCE, CONSTANTLY, ILLITERACY OF THE POPULATION OVER 15 YEARS OF AGE. PROMOTE THE EXTENSION OF EDUCATIONAL SERVICES PRIOR TO PRIMARY EDUCATION. STRENGTHEN ALL LEVELS AND MODALITIES OF EDUCATION, GRANTING A PRIORITY TO THE BASIC LEVEL UNTIL IT BECOMES UNIVERSAL. AS A GOAL FOR THE YEAR 2010, 100 PERCENT COVERAGE OF CHILDREN SHOULD COMPLETE THEIR PRIMARY EDUCATION AND AT LEAST 75 PERCENT OF YOUTH SHOULD ATTEND SECONDARY EDUCATION. HIGHER EDUCATION AND SCIENTIFIC AND TECHNOLOGICAL EDUCATION SHOULD ALSO BE EXPANDED. TRAINING IN AND FOR WORK OF ADULTS AND YOUTH SHOULD ALSO BE ENCOURAGED, SO THAT MARGINATION DOES NOT HINDER NEITHER THE IMPROVEMENT OF OUR DEMOCRACIES, NOR ECONOMIC PRODUCTIVITY, NOR PUT SOCIAL STABILITY AT RISK.

4

reduce illiteracy
universal access to quality education
life-long learning

PROMOTE INCREASED AND SUSTAINED INVESTMENT IN EDUCATIONAL MATTERS AND ENSURE THAT IT BE SUFFICIENT AT ALL TIMES, TO MEET THE ESTABLISHED GOALS AND PURPOSES OF THIS DECLARATION. THE IMPORTANCE OF EDUCATION MAKES IT NECESSARY TO JOIN THE EFFORTS OF NATIONAL AND REGIONAL GOVERNMENTS, OF THE COMMUNITIES, OF INDIVIDUALS AND OF MULTILATERAL ORGANIZATIONS. COUNTRIES OF LESSER ECONOMIES OR MORE ADVERSE SOCIO- ECONOMIC CONDITIONS SHALL DESERVE SPECIAL ATTENTION TO AID THEM IN REINFORCING EDUCATIONAL SYSTEMS TO FULLY PARTICIPATE IN REGIONAL COOPERATIVE PROJECTS.

64

promote least advantaged countries & people

TAKE CARE, ON A PRIORITY BASIS, OF THE MOST VULNERABLE GROUPS TO ENSURE THEIR EQUAL ACCESS TO EDUCATIONAL OPPORTUNITIES AND ESTABLISH CONDITIONS TO ALLOW THE OPTIMAL USE OF THEM SO THAT THE VICIOUS CYCLE OF POVERTY AND IGNORANCE IS BROKEN.

IMPROVE THE QUALITY OF EDUCATION IN A WAY THAT OFFERS EACH PERSON AN ETHICAL FORMATION FOR DEMOCRACY, STEMMING FROM A CLEAR CONCEPTION OF HUMAN DIGNITY AND HAVING AS ITS GOAL THE WELL BEING OF ALL; IT SHOULD GUARANTEE AN INTELLIGENT,

education in terms of democratic principles

RESPONSIBLE AND CRITICAL PERFORMANCE THAT FURNISHES FLEXIBLE SKILLS WHEN A PERSON IS FACED WITH THE TECHNOLOGICAL TRANSFORMATIONS IN THE LABOR MARKET AND PREPARES INDIVIDUALS SUFFICIENTLY TO CONTRIBUTE TO SCIENTIFIC AND TECHNOLOGICAL INNOVATION IN THE HEMISPHERE.

⁵
prepare for
21st century
market place

MAKE EDUCATION ADEQUATE FOR THE DIVERSE CHARACTERISTICS OF THE DIFFERENT ETHNIC AND CULTURAL GROUPS OF OUR NATIONS, MAKING IT MORE RELEVANT TO THEIR NEEDS AND ASPIRATIONS. THUS, EDUCATION WILL CONTRIBUTE IN REALITY TO PROMOTE TOLERANCE AND RESPECT FOR THE DIFFERENT WAYS OF LIVING.

PROMOTE A LARGER CO-RESPONSIBILITY OF SOCIETY IN EDUCATION BY PROMOTING THEIR MORE ACTIVE PARTICIPATION.

it takes a
village ...

GENERATE THE CONDITIONS FOR MAKING FEASIBLE THE INTENSE USE OF THE NEW INFORMATION AND COMMUNICATION TECHNOLOGIES TO BETTER INCREASE THE COVERAGE OF EDUCATIONAL SERVICES, INCREASE THEIR QUALITY AND ADEQUATELY RESPOND TO THE NEEDS OF THE DIFFERENT SOCIAL GROUPS THROUGH LIFELONG LEARNING.

Technology,
distance
learning, etc.

ESTABLISH DURING THE COMING YEARS, A STEP BY STEP PROCESS OF INCORPORATING COMPUTER SKILLS AND OTHER DISTANCE TECHNOLOGIES INTO THE SCHOOLS SEEKING THE WIDESPREAD USE OF COMPUTER LABS. AT LEAST 25 PERCENT OF STUDENTS SHOULD HAVE ACCESS TO COMPUTER NETWORKS AND E-MAIL BY THE YEAR 2005. BY THE YEAR 2010 IT IS HOPED THAT 50% OF STUDENTS HAVE ACCESS TO THIS TECHNOLOGY.

4 students have
access to computer
networks by 2005.
2010 - 50%

REQUEST AND OBTAIN THE CO-RESPONSIBILITY OF MASS COMMUNICATION MEANS TO STRENGTHEN THE RESPECT AND DEVELOPMENT OF UNIVERSAL VALUES, THAT ARE ESSENTIAL FOR LIVING SIDE BY SIDE, SUCH AS THE SEARCH FOR PEACE, TRUTH, JUSTICE, TOLERANCE AND SOLIDARITY.

vgh

USE MEANS OF DIALOGUE AND COOPERATION OFFERED BY ORGANIZATIONS SUCH AS OAS, IN ORDER TO PROMOTE THE FULFILLMENT OF OBJECTIVES IN MATTERS OF EDUCATION AS DEFINED BY THE ACTION PLAN. SUPPORT FOR EDUCATIONAL PROGRAMS SUCH AS THOSE GRANTED BY UNESCO AND UNICEF ARE ALSO WELCOME, AS WELL AS THOSE OF OTHER MULTILATERAL COOPERATION ORGANIZATIONS OPERATING IN THE REGION.

6
*multilateral
funding
mechanisms*

THUS, THE MINISTERS OF EDUCATION OF THE CONTINENT, ARE COMMITTED TO SIGNIFICANTLY REDUCE THE RATES OF SCHOOL DROPOUT AND FAILURE BY THE YEAR 2010, TO EXTEND COVERAGE AND IMPROVE THE QUALITY OF EDUCATION IN THE HEMISPHERE. TO THIS END, WE SHALL PROMOTE THE FOLLOWING INITIATIVES:

TO BUILD AND STRENGTHEN A HEMISPHERIC PROGRAM OF EDUCATION, HEALTH AND NUTRITION FOCUSED ON BOYS AND GIRLS IN VULNERABLE CONDITIONS.

TO DEVELOP NATIONAL OR SUBNATIONAL PROGRAMS, AS APPROPRIATE, THAT ENSURE THAT NO MINOR IS LEFT OUT OF PRE-SCHOOL AND PRIMARY EDUCATIONAL SERVICES, IMPROVING THE CONDITION OF BOYS AND GIRLS IN SPECIALLY DIFFICULT CIRCUMSTANCES, SUCH AS STREET CHILDREN, WORKING MINORS, MIGRANTS, DISABLED MINORS AND INDIGENOUS CHILDREN.

TO ESTABLISH CURRICULAR PROGRAMS TO ENSURE THAT ALL CHILDREN WHO COMPLETE PRIMARY SCHOOLING, MASTER READING AND WRITING, COMPREHENSION OF TEXTS AND BASIC CALCULATIONS, AND ACQUIRE THE BASIS OF SCIENTIFIC KNOWLEDGE AND DO SO UNDER EDUCATIONAL PROCESSES THAT SEEK THE FULL DEVELOPMENT OF HUMAN BEINGS, AWARENESS OF RESPONSIBILITY, REGARD FOR JUSTICE AND DEVELOPMENT OF DEMOCRATIC VALUES

*basic body
of knowledge*

TO PROMOTE EXCHANGE PROGRAMS AND RECIPROCAL COOPERATION AMONG THE COUNTRIES OF THE HEMISPHERE, BY MEANS OF SCHOLARSHIPS, TECHNICAL ASSISTANCE PROGRAMS AND EXCHANGE OF STUDENTS, TEACHERS, RESEARCHERS AND EDUCATION MANAGERS, AMONG OTHERS.

*exchanges
cooperation*

TO ESTABLISH NATIONAL OR REGIONAL QUALITY STANDARDS FOR EDUCATION AND STRATEGIES FOR EVALUATING THE PERFORMANCE OF DIFFERENT EDUCATIONAL AGENTS, IN ACCORDANCE WITH SAID STANDARDS.

*standards
and evaluation
mechanisms*

TO ESTABLISH A SYSTEM OF COMMON INDICATORS THAT ALLOW COMPARISONS ON A HEMISPHERIC LEVEL.

TO ENSURE THAT, AT THE LATEST BY THE YEAR 2000, ALL TEACHERS HAVE SYSTEMATIC AND PERMANENT OPPORTUNITIES FOR EDUCATION, TRAINING AND UPDATING, AS INDISPENSABLE MEANS FOR IMPROVING THE QUALITY OF EDUCATION. VIRTUAL AND REAL REGIONAL CENTERS WILL BE ESTABLISHED FOR DISTANCE EDUCATION, IN ORDER TO TRAIN AND UPDATE EDUCATIONAL AGENTS, USING THE EXISTING INFRASTRUCTURE OF THE REGION, AS WELL AS THE PRODUCTION OF AUDIO VISUAL AND INFORMATION MATERIALS.

*teacher training
full coverage by
2000.
Certification of
teachers?*

TO STIMULATE THE INTRODUCTION OF NEW INFORMATION AND COMMUNICATION TECHNOLOGIES APPLIED TO EDUCATIONAL PROCESSES.

TO PROMOTE A HEMISPHERIC PROGRAM, USING ALL AVAILABLE MEANS TO STRENGTHEN THE AWARENESS OF THE POPULATION OF THE IMPORTANCE OF STUDYING AND COMPLETING BASIC EDUCATION AS A RESPONSIBILITY OF SOCIETY AND GOVERNMENTS.

WE URGE THE INTERNATIONAL FINANCING ORGANIZATIONS OPERATING IN THE REGION, SUCH AS THE INTERAMERICAN DEVELOPMENT BANK AND THE WORLD BANK, THAT FACING THE NEXT SUMMIT OF PRESIDENTS, TO UNDERTAKE A COORDINATED EFFORT AIMED AT HAVING ADDITIONAL PROJECTS OF HEMISPHERIC COOPERATION TO RESPOND TO THE PRIORITIES HEREIN STATED, BY COMMITTING SPECIFIC FUNDS TO FINANCE THESE INITIATIVES.

\$ \$

MEMORANDUM

W
Nelson
San

FILE CLASSIFICATION: EVI.lab

DATE: February 11, 1998

TO : Enrique Iglesias, President
CC : Bill Schuerch, DAS
FROM : L. Ronald Scheman, US/EXD
SUBJECT : Labor Issues

*Summit deliverable -
Direct IDB to consider
labor conditions in
lending portfolios?*

In an effort to better coordinate efforts to improve core labor standards¹ among member countries, this Chair would like to suggest that the Bank undertake a more pro-active role to assist member governments improve national labor standards, ensure compliance with labor codes, upgrade labor ministries and promote national dialogues on labor issues.

Considering the importance of labor issues for economic development, our efforts to address poverty, and for regional economic integration, it is entirely appropriate that we explore better ways to incorporate these strategic objectives in IDB country programming, project execution, and procurement. This issue is relevant on two levels: for the Bank's own projects and procurement policies and secondly, to assist borrowing member nations to implement sound labor practices.

*IDB lending documents
required to take
labor conditions
into account*

A. Country Programs. All country program documents should be required to discuss the status of labor conditions in the country, their impact on development, and how the Bank might assist to improve labor standards and working conditions. It should review the status of labor legislation, practices, and minimum standards, with special attention to the capacity of labor ministers to enforce labor codes, management capabilities in the labor ministries to assure effective use of their resources, and programs to improve labor skills and productivity in the work environment. The country program should also discuss the nature of the policy dialogue on labor issues within the country and explore ways in which the Bank's technical cooperation and research programs might enhance that dialogue regarding the benefits of improved labor standards and policies connected to labor reform.

B. Project Execution. All project execution shall pay careful attention to labor conditions affecting contractors and sub-contractors. All contractors and sub-contractors involved in

project execution would be required to certify compliance with all national and ILO minimum standards in the course of project execution. Borrowers would be required to:

1. Obtain similar certification from third party recipients of loan funds.
2. Maintain such records to this effect as the Bank may require.

The Bank would be authorized to cancel or suspend loan amounts if the borrower or other recipient of loan funding fails to comply with the regulations of illegal or sub-standard labor practices.

C. Procurement .

Procurement guidelines: The Bank standard procurement guidelines would require the borrowers to (1) comply with national labor laws and standards in all aspects of the project, and (2) include in all bidding documents and contracts prohibitions against substandard labor practices. In all bidding contracts, vendors should be required to certify that they will comply with all national requirements. In the event of breach, the lender or contractor would be entitled to indemnification for resulting losses and required to withhold funds from the project unless the illegal or sub-standard practices are promptly rectified. 

We hope that these suggestions be explored by Management and a specific program for implementation be presented to the Board within the next few months.

after Santiago

Barry rollout ideas

2/16/98

- POTUS to OAS Bot
- POTUS involvement w/ Trade, youth / future oriented focus. Build POTUS efforts around these issues.
Peace Corps announcement.
- Youth Summit leaders to discuss w/ technology
- Sennett speech in US (interpretation)
- Hillary to region, two stops (one enroute)
- PRMS launch after Summit in Miami
credible, strong launch. Secretariat announcement
- Rubin or Summers do speech on financials
Gore enroute
Riley education
McCaffrey drugs
Mack overall speech — partnership in all these areas. Can use Princeton or press club for this event. Wt briefing.
- Reinforcing event after Summit. World Bank event in early June. W/ Cardoso.
Mack event w/ youth leaders, teachers, etc.

Cabinet rollout

Spanish American War
1898-1997
From the American Century to a Century of the Americas

- peace corps event crowd event
closure to three trips — boost into future
larger overall purpose to our efforts and this is where we will leave it. Set ourselves up for the future.

THE WHITE HOUSE

10/13/82
Lunch

Cuba

Summit Agenda - financial integration to compensate for f/t
- US support MERCOSUR
- capital flows / financial architecture
reduce volatility → trade will continue but
financial flows may not if financial
architecture in place. Avoid crowding out
by building & strengthening institutions →
break down traditional narrow economic
structure. Interconnection. Compare
w/ Asia implicitly. Open policies ~~not~~ move
forward in hand w/ open economies. Latin Am has
these potential systems in place.

Egilsen concerns - Paraguay (work w/ Brazil)
- Colombia

Peace, Prosperity, Democracy

Labor - give thrust to fundamentals separate from trade.
fund ministers, negotiations training, enforcement,
child labor etc. Those things which should happen
w/ or w/o trade. Parallel track w/ labor ministers
along side trade. Emergence. MIF. Identifying US
key issues, work w/ Latins to have to work to raise
standards. Presidents raise points at Santiago, then
refer to labor ministers w/ working process - OAS, IDB

Foundation of the Americas - Treasury Dept know of US interest.
Other Latin interest must matter also. No govt support.

— (2)
THE WHITE HOUSE

Chile visuals - Make call Amaganda PDDK
Casa de Piedra a better alternative than
Shenaton

Museum of the Americas - Put into demand documents?
at OAS. Year 2000 Cultural Values
Electronic availability around hemisphere
→ movement beginning around the hemisphere
Call for creation, change OAS/IDB w/
getting it done.

02/25/98 12:25 202 647 6408
02/25/98 WED 12:27 FAX 2024507580
02/25/98 WED 12:13 FAX 202 450 2404

ARA/ECP RM. 3234
WHITE HOUSE SPEC. ENVOY
SPEC. ENVOY FOR AMERICAS --- NEOB

001

001

002

RICHARD A. GEPHARDT
MISSOURI
DEMOCRATIC LEADER

H-204 U.S. CAPIT.
202-276-0100

Congress of the United States
House of Representatives
Office of the Democratic Leader
Washington, DC 20515-6537

February 17, 1998

Mr. Erskine Bowles
Chief of Staff
The White House
Washington, D.C. 20500

OPTIONAL FORM 98 (7-90)

FAX TRANSMITTAL

of pages 3

To	REB	From	Eric
Dept./Agency		Phone #	
Fax #	help	Fax #	
NPN 9540-01-317-344		5089-101 GENERAL SERVICES ADMINISTRATION	

Dear Erskine:

In September, I sent a copy of the attached letter to you requesting information on the upcoming Summit of the Americas in Santiago, Chile.

To date, I have not received a response. I would appreciate any information regarding the Summit and responses to the questions raised in my letter.

In advance, thank you for your attention to this matter.

Sincerely,

Rich

Richard A. Gephardt
House Democratic Leader

enclosure

↓

Eric

I know of no one in the US govt. who has said we were opposed to the participation of legislators in the Santiago Summit.
In fact we have encouraged the Chilean government to organize activities for any visiting legislators during the Summit. (REB asked Montalvo --- he agreed to work on it --- during his last visit to Santiago.)

(Note: The GOC has then far only scheduled events for Presidents and Foreign Ministers.)

REB

02/25/98 12:26 202 647 6408

ARA/ECP RM. 3234

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02/25/98 WED 12:28 FAX 2024587580

WHITE HOUSE SPEC. ENVOY
SPEC. ENVOY FOR AMERICAS →→ NEOB

002

003

RICHARD A. GEPHARDT
MISSOURI
DEMOCRATIC LEADER

H-204 U.S. CAPI
202-225-0100

Congress of the United States
House of Representatives
Office of the Democratic Leader
Washington, DC 20515-6537

September 3, 1997

Mr. Erskine Bowles
Chief of Staff
The White House
Washington, D.C. 20500

Dear Erskine:

I am writing to share my concern about initial plans for the Summit of the Americas to be held in Santiago, Chile next year.

As you know, I recently traveled to South America. During my trip I was told by a number of individuals from various governments and the private sector, that the U.S. Government was seeking to prohibit participation of legislators from the Hemisphere in the Summit activities.

I believe that participation by U.S. legislators in the Summit agenda is vital to its success. One of the reasons that the fast track issue has become so contentious is that Members of Congress are often not adequately consulted and included in the creation of the trade agenda and the negotiations themselves. It is troubling that the U.S. is leading the effort to exclude U.S. Members of Congress as well as legislators from other countries. The participation of a broad cross-section of legislators from the countries participating in the Summit can help ensure the Summit's success — both in the short- and long-term.

The second issue is the question of the size and makeup of the U.S. delegation. I would hope that this allocation would be equitably divided to ensure that there is a broad cross-section of participation: representatives from organized labor and from non-governmental organizations should have equal access to and should be fully included in the Summit activities.

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02/25/98 WED 12:13 FAX 202 456 2484

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SPEC. ENVOY FOR AMERICAS --> NEOB

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Mr. Erskine Bowles
September 3, 1997
Page 2

I would welcome a report on the current Summit planning and your response to the issues that I have raised.

In advance, thank you for your attention to this request.

Sincerely,



Richard A. Gephardt
House Democratic Leader

cc: Speaker Gingrich
Senate Republic Leader Trent Lott
Senate Democratic Leader Thomas Daschle

THE WHITE HOUSE
WASHINGTON

January 28, 1998

MEMORANDUM FOR SYLVIA MATHEWS

FROM: Mickey Ibarra

SUBJECT: Foreign Travel

CC: Erskine Bowles
Mack McLarty
Sandy Berger
IGA Deputies
John Wilson
Jesse James

Recommendation

I am recommending the inclusion of Mayor Wellington Webb (D-Denver, CO) on the President's trip to Africa in March, 1998 and Governor Pedro Rossello (D-Puerto Rico) on the President's trip to the Summit of the Americas in Chile in April, 1998.

Rationale

State and local governments are playing an increasingly important role in the global community. Today, U.S. state and local governments and their national organizations are more actively involved in the global economy than ever before. Statewide and local elected officials constantly deal with international trade issues and contend with similar local problems as their counterparts abroad. Therefore, they are in a good position to enhance and contribute to the President's foreign travel.

Mayor Webb: In his 1998 State of the Union Address, President Clinton stated that passing the Africa Trade Agreement will be a priority on his 1998 agenda. The U.S. Conference of Mayors (USCM) dedicated a full day of their Winter Meeting to an "Mayors' Summit on Africa" today to advance the relationship between U.S. and African cities. Mayor Webb led the planning for this event as Chair of the USCM Task Force on Sub-Saharan Africa. He became Denver's first African American mayor in 1991, and was elected to serve a second term in 1995. The Mayor's familiarity with the African continent would be a great asset to President Clinton's planned trip to Africa this spring.

IGA Foreign Travel Requests

Page Two

Governor Rossello: The Caribbean region is also an important part of our "Hemispheric" policy, and Puerto Rico has very close links to the nations of this region. During the upcoming Summit of the Americas, we should take maximum advantage of our American presence in the region by including our senior representative, Governor Pedro Rossello, in the President's delegation. Governor Rossello is serving his second term after being reelected in 1996 by a largest landslide victory since 1964. He is the senior Hispanic elected official in the United States. The Governor is Chairman of the Council of State Governments and Chairman of the Southern Governors' Association. In his latter capacity, he has lead an initiative for increased Latin trade and investment. Governor Rossello is an ideal candidate to accompany President Clinton on his trip to South America.

Attachments: Biography of Mayor Wellington Webb
Biography of Governor Pedro Rossello



THE HONORABLE WELLINGTON E. WEBB

Mayor

City and County of Denver

Mayor Wellington E. Webb was inaugurated the City and County of Denver's 41st mayor on July 1, 1991.

Educated in Colorado public schools, Webb earned both his Bachelor of Arts and Master Degrees in Sociology from the University of Northern Colorado at Greeley.

Mayor Webb has a proven record of managerial ability and has consistently exhibited dedication and concern for all citizens.

Prior to being elected mayor, Webb served a four-year term as Denver City Auditor, the independent overseer of Denver's financial transactions. Elected in 1987, he was lauded by fellow city officials for restoring the office to professionalism and integrity.

Mayor Webb's distinguished public service career began in 1972, when he was elected to the Colorado State legislature, representing District 8, in the House of Representatives. He held key legislative positions and sponsored bills enacted into law that are still on the books today such as declaring it illegal to discriminate against the handicapped and prohibits the discrimination in the granting of credit due to marital status. His dedication to the people of Colorado earned him two Honorary Doctorate Degrees from the University of Colorado and Metropolitan State College.

After serving three consecutive terms in the legislature, President Jimmy Carter appointed Webb regional director of the U.S. Dept. of Health, Education and Welfare. He managed a 2,000 member department throughout six states, earning a Certificate of Appreciation from the late Secretary Patricia Roberts-Harris, and ultimately, membership in the President's Elite Federal Senior Executive Service.

In 1981, Governor Richard Lamm appointed Webb to his cabinet as executive director of the Colorado Department of Regulatory Agencies. He administered the state's 34 occupational and licensing boards and commissions, earning management recognition by receiving the National Governor's Association Award for Distinguished Service.

Mayor Webb and First Lady Wilma Webb have four grown children: one daughter and three sons.

PEDRO ROSSELLO, M.D. GOVERNOR OF PUERTO RICO

Pedro Rossello, born in San Juan, achieved prominence in two other fields before becoming active in politics. While attaining his bachelor's degree at the University of Notre Dame, Rossello (pronounced "roh-say-YO") won the first of his five Puerto Rico men's singles tennis championships. He also achieved a national ranking from the United States Tennis Association, and in 1966 received Notre Dame's top scholar-athlete award. He later went on to head the Puerto Rico and Caribbean Tennis Associations and serve on the executive committee of the United States Tennis Association.

In 1970, Rossello received his Doctorate of Medicine from Yale University. He then specialized in general and pediatric surgery at Harvard University, and subsequently, received his Master's Degree in Public Health in 1981 from the University of Puerto Rico. Throughout his career as a pediatric surgeon, Dr. Rossello has authored dozens of scholarly papers and has made numerous presentations at professional conferences. After a brief term on the board of directors of the Puerto Rico Recreational Development Company, he was appointed Director of the Health Department of the City of San Juan in 1985.

Rossello entered elective politics in 1988 and was elevated to the chairman of his pro-statehood party in June 1991. On November 3, 1992, he recorded Puerto Rico's biggest gubernatorial landslide in 20 years while statehooders gained unprecedented two-thirds majorities in the House and Senate, and won 54 of 78 mayoralities. On November 5, 1996, Governor Rossello gained a second term with a 7 percentage point margin.

In 1997, Governor Rossello is the Vice Chairman of the Democratic Governors' Association.

Since taking office, Governor Rossello has mobilized National Guard units to cooperate with federal agencies and state police in an aggressive crackdown on crime. He has also restored English to its former status as an official language, along with Spanish. He has also launched a major overhaul of the structure of government, including sweeping reforms of health care and public education.

On the U.S. mainland, he has enhanced Puerto Rican involvement in national Latino affairs, while also accepting assignments as Lead Governor for the Southern Regional Project on Infant Mortality; member of the executive committee of the Southern States Energy Board; member of the steering committee of the Education Commission of the States; and member of the U.S. Trade Representative's Intergovernmental Policy Advisory Committee. In addition, Governor Rossello is an active member of the National and Southern Governors' Associations.

Governor Rossello was married on August 9, 1969, to the former Irma Margarita "Maga" Nevares. The couple has three sons.



AN AFFILIATE OF THE AMERICAS SOCIETY, INC. 680 PARK AVENUE, NEW YORK, NEW YORK 10021 (212) 628-3200 FAX: (212) 249-1880

AMBASSADOR EVERETT ELLIS BRIGGS
PRESIDENT

January 28, 1998

The. Hon. Thomas F. McLarty
Counselor to the President
Executive Office of the President
The White House- Ground Floor, West Wing
Washington, DC 20502

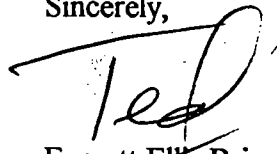
Dear Mack:

I wanted to congratulate you (and the President) on the strong statement on fast track in last night's State of the Union address. Music to our ears! We will, of course, be most interested in the strategy that is devised to move this forward, and to have the administration's views on how we can be supportive.

Incidentally, I don't know if you've seen the paper -- still in draft -- that we've commissioned for use at the Business Forum in San Jose in March. I enclose a copy. We very much hope that the paper will contribute usefully to the collective wisdom of those charged with establishing the framework for the FTAA negotiations.

With best wishes,

Sincerely,



Everett Ellis Briggs

① Nelson
② Eric
③ Dan - one
page analysis
of attachment
BY TUES.
④ response
(Mack?)

DRAFT

Santiago: Launching the FTAA

Executive Summary

The Council of the Americas, the Chamber of Commerce of the U.S.A., and the Association of American Chambers of Commerce in Latin America believe that the effort to create a Free Trade Area of the Americas (FTAA) is at a critical milestone. In April 1998, hemispheric leaders are set to meet in Santiago, Chile. There, they are expected to launch negotiations for completing the FTAA by the year 2005.

Trade ministers will gather in Costa Rica in March to lay the groundwork for the Santiago Summit. They will focus on the goals, principles, and objectives for the negotiations, as well as matters related to organization, logistics and timing. Ministers also will consider how to fulfill the commitment made at 1994's Miami Summit to make "concrete progress" toward attainment of the FTAA by the end of this century.

Despite uncertainty over whether President Clinton will have new fast-track negotiating authority prior to Santiago, he and other hemispheric leaders should initiate FTAA negotiations when they meet in April. The launching of negotiations would be strengthened if the leaders also give clear instructions to trade ministers to reach interim arrangements that would make substantive progress toward the FTAA by the year 2000.

The start of FTAA negotiations must be accompanied by a strong, sustained effort to mobilize public support on behalf of the FTAA. Our political and business leaders need to get out the facts about the FTAA and trade: that expanded trade will promote economic growth and improve the standard of living of all our peoples. And we must find ways to address the legitimate concerns of those adversely affected by changing economic conditions.

PRINCIPLES FOR THE NEGOTIATIONS

Beyond the principles already agreed to at the 1997 Belo Horizonte trade ministerial, we urge that governments agree that the FTAA:

- **Provide for full tariff elimination on all goods, and that all other restrictions on goods, services and investment will be eliminated unless specifically exempted in the FTAA.**
- **Contain disciplines of the highest order on all covered areas, exceeding those of the WTO where possible.**
- **Ensure that governments cannot derogate from existing environmental, health, safety, or labor measures as an encouragement to gain competitive advantage in trade or investment.**

In addition, governments should agree at the outset of negotiations not to raise or impose new tariffs, nor to impose new non-tariff barriers to trade in goods and services during the negotiations.

RECOMMENDATIONS FOR EARLY ACTION

We believe that there are numerous steps that trade ministers could take at San Jose to help deliver on the commitment to substantial progress toward the FTAA by the year 2000. These steps include commitments to:

- **Increase transparency in the formulation and administration of government policies and practices in all areas affecting business, including standards and regulatory requirements and government procurement.**
- **Seek opportunities to eliminate tariff barriers on a sectoral basis, reduce tariff peaks, and eliminate "nuisance" tariffs.**
- **Enact customs facilitation and simplification measures.**
- **Simplify the creation and administration of standards and regulatory requirements.**
- **Reduce barriers to trade in services, including harmonization and mutual recognition of professional standards, simplifying procedures for business travel, and adherence to recent WTO agreements on telecom and financial services.**
- **Conclude a hemispheric convention on investment.**
- **Improve protection of intellectual property rights, including full implementation of the WTO's TRIPs agreement by the year 2000.**
- **Adhere to OAS and OECD accords combating corrupt business practices.**

ROLE OF THE PRIVATE SECTOR

More than ever, the private sector is committed to helping governments realize the goal of the FTAA, both by helping to mobilize public support for the agreement and through specific negotiating advice. Much of this assistance would be through efforts at the national level.

But work also can and should proceed at the multilateral level through the Americas Business Forum, in which business representatives from all nations involved in the FTAA can meet to develop common positions and recommendations. We believe that the Forum should continue to meet with Trade Ministers on an annual basis and that mechanisms should be established so that the Forum is kept abreast of the status of the negotiations and given feedback on recommendations submitted by the Forum.

CONCLUSION

The time has come to make the vision of the FTAA a reality. The recommendations in the attached paper are intended as a guide to help translate political commitments into concrete achievements delivering early real benefits.

Santiago: Launching the FTAA

The effort to create a Free Trade Area of the Americas (FTAA) is approaching a critical milestone. In April 1998, the leaders of the 34 democratically elected governments of the hemisphere are scheduled to meet in Santiago, Chile. There they are to launch the final negotiations for the FTAA, which are to be completed no later than the year 2005.

Trade Ministers of the 34 nations will gather at San Jose, Costa Rica, in March to lay the groundwork for the Santiago Summit. Among the decisions to be reached are those related to the goals, principles, and objectives that will guide the negotiations. Decisions also will be required about the timetable, as well as organization and logistics, including location (site or sites) and secretariat support facilities. Ministers also should recommend how to carry out the commitment made at 1994's Miami Summit to make "concrete progress" toward the attainment of the FTAA by the end of this century.

The United States private sector, as represented by the Council of the Americas, the Chamber of Commerce of the U.S.A., and the Association of American Chambers of Commerce in Latin America, has endeavored to support this effort through the presentation of constructive recommendations. Once again, these organizations wish to take the opportunity to present their views on the major substantive issues to be faced by the ministers at San Jose and the heads of state at Santiago. In particular, they wish to recommend how concrete progress can be achieved in the period immediately ahead.

LAUNCHING THE NEGOTIATIONS

Despite the uncertainty over whether the U.S. Congress will authorize new fast-track negotiating authority prior to the Santiago Summit, there is no legal reason why President Clinton should not be able to agree on behalf of the United States to initiate FTAA negotiations. An agreement to begin talks would allow negotiating groups to begin preliminary work – analysis of the issues, the formulation of conceptual approaches for the dismantling of restrictions surrounding the most difficult and most highly regulated sectors, discussion of the institutional arrangements for the FTAA, and preparation of initial texts of the agreement. None of this work would require advance legislative authority.

The agreement to launch the negotiations should be accompanied by instructions from the leaders to ministers to search for interim agreements and arrangements that would give expression to the Miami Summit's commitment to make substantive progress toward the FTAA by the turn of the century. Promising areas for early action include business facilitation, transparency, and harmonization of government procedures and policies. Bearing in mind the agreement of ministers at Belo Horizonte "to preserve and promote the essential interests of our 34 countries in a balanced and comprehensive manner", it should be possible to reach agreement

on matters of common interest. Such agreements could be freestanding subjects that would not entail loss of bargaining position by participants in the more comprehensive FTAA negotiations.

MOBILIZING PUBLIC SUPPORT

Underlying the challenge of creating the FTAA is a far more difficult task – mobilizing public support on behalf of the effort. It is clear that public support for free trade has eroded to varying degrees in a number of countries since the first Summit of the Americas at Miami. This is reflected most dramatically by the failure of the U.S. Congress to enact fast-track legislation and by increasing calls for protection in a number of countries, including Argentina, Brazil, and Mexico.

There are several reasons for the decline of support for free trade. There is a lingering reaction to the Mexican peso crisis in late 1994 and early 1995 and the contagious effects it caused. Increasing current account deficits in certain countries and the recent banking crisis in Southeast and East Asia are other major factors. These specific problems serve to exacerbate concerns over job security and stagnant wages that arise from the dislocations sometimes caused by change.

The fears and concerns over what is loosely described as “globalization” need to be attacked at two levels. First, the ability of nations to adopt and maintain free-trade policies depends on complimentary macroeconomic policies. Without sound fiscal and monetary policies, an open investment regime, and non-burdensome regulation, free trade cannot be sustained. In addition, as the banking crises in this hemisphere and in Asia have demonstrated, it is necessary to have strong prudential regulation, accompanied by full disclosure of financial and economic data to provide a sound underpinning to investor confidence. Pro-competitive policies also bolster investor confidence and lead to more choice at lower cost for the consumer.

Perhaps most importantly, popular backing of free trade requires strong and continuing leadership. Support for free trade does not well up from the grass roots. The many benefits our economies derive from globalization – lower priced, higher quality goods and services; better paying jobs; increased economic efficiencies – often are diffused throughout society and are overlooked or undervalued by many people. But economic dislocations – whether or not the result of globalization – provide graphic illustrations and instant sound bites for those promoting misguided protectionist policies.

We therefore need strong leadership at the top to increase public awareness of the importance of trade and its benefits. The primary responsibility for leadership rests with governments, supported by the private sector, both of which need to educate the public. Expanded trade promotes economic growth, which in turn improves conditions of life and standards of living. It is only by means of economic growth that nations can afford all of the

things their people need and desire, including education, public infrastructure, health care, safety net, a clean environment, and above all economic opportunity.

But education alone is not enough. We need to find ways to address the legitimate concerns of those adversely affected by change. Globalization is but one of many factors that cause change. But in the final analysis, it matters little whether the dislocation is the result of technology, immigration, migration from rural to urban areas, or increased imports. Whatever the cause, the proper answer will rarely be to attempt to turn back the clock. The more sustainable approach will be to promote alternative opportunities through better education and higher or different skill levels for workers, and policies that encourage investment.

In this century, the alternatives to free trade and open economies have been tried and found wanting. Over the past decade, most nations of the world have thrown off the failed policies of protectionism, excessive regulation and state control of economics in favor of trade expansion, deregulation, and privatization. The painful lessons of economic mismanagement are too fresh in memory to permit a return to the failed policies of the past.

It is encouraging that most governments have not yielded to reverse course. On the contrary, they have realized that the Asian financial crisis calls for greater openings of their economies, rather than their closing. This is reflected in the decisions of the APEC leaders to continue on the path toward trade liberalization and economic cooperation. Nothing less should be expected of hemispheric leaders.

But our political leaders need to do more than to agree among themselves; they need to persuade their constituents of the stake they all have in free trade and thereby help assure domestic support for trade. Our collective stake was clearly expressed in the statement in the Declaration of Principles from the Miami Summit of the Americas:

"Our continued economic progress depends on sound economic policies, sustainable development, and dynamic private sectors. A key to prosperity is trade without barriers, without subsidies, without unfair practices, and with an increasing stream of productive investments. Eliminating impediments to market access for goods and services among our countries will foster our economic growth. A growing world economy will also enhance our domestic prosperity. Free trade and increased economic integration are key factors for raising standards of living, improving the conditions of people in the Americas and better protecting the environment."

As we look to begin the process of negotiating the FTAA, there is perhaps no more important mission for government and the private sector alike than that of education.

THE GOALS OF THE FTAA

FTAA negotiators should seek a single agreement providing for elimination over a reasonable time period of all tariff and non-tariff restrictions on trade in goods and services; rules that facilitate the free flow of investment, and full protection of intellectual property rights. Fundamental to the free trade area are provisions assuring most-favored-nation treatment within the region; national treatment for goods, for firms, and investors; rights of establishment, transparency of national laws and regulations, and freedom of movement of business-related information and business personnel.

PRINCIPLES FOR THE NEGOTIATION

At Belo Horizonte, trade ministers agreed that there was "a significant measure of convergence on key principles" for the FTAA. These include:

- Consensus constitutes the fundamental of decision-making, "which seeks to preserve and promote the essential interests of our 34 countries in a balanced and comprehensive manner".
- The FTAA will constitute a single undertaking embodying all rights and obligations agreed upon.
- The FTAA will be consistent with the WTO agreements.
- Countries may negotiate and join the FTAA individually or as members of a sub-regional group.
- The needs, economic conditions and opportunities of smaller economies of the region should receive special attention; and the negotiations should be concluded by the year 2005, at the latest.

We concur with these principles and would add others. First, from the date of the formal initiation of the negotiations, governments should pledge not to raise existing tariffs or impose new tariffs, nor to impose new non-tariff barriers to trade in goods and services.

Secondly, it should be agreed that the FTAA will provide for full tariff elimination on all goods, and that all other restrictions on goods, services, and investment will be covered unless specifically exempted from the agreement.

Finally, with respect to all areas to be covered by the FTAA, governments should strive for disciplines of the highest order, exceeding those of the WTO where possible.

TIMING AND PROCESS OF THE NEGOTIATION

It is well known that there is an unresolved issue regarding the timing and process of the negotiations, with the MERCOSUR countries, on the one hand, seeking a slower pace, with closer linkage and simultaneous resolution of issues. The United States, Canada, and others, on the other hand, prefer to make progress more rapidly and to resolve issues sequentially.

We believe that the negotiations should move forward deliberately and as quickly as circumstances permit. There is no need now to prescribe linkage among issues. Since, in the end, nothing will be agreed unless all is agreed, balance and comprehensiveness are assured. The pace of work should therefore depend on the ability of the participants to agree upon specific issues, rather than seeking simultaneous agreement on all issues.

The establishment of a fixed timetable would be unrealistic at this time. However, Ministers should schedule review sessions between the launch of the negotiations and the year 2000 to serve as mileposts, at which there can be reviews and assessments of the progress of the negotiations.

MAJOR RECOMMENDATIONS

Market Access for Goods

Eliminating all tariff and non-tariff barriers to trade at the earliest feasible time is one of the main goals of the FTAA. Most leaders in the hemisphere understand that the expansion of trade that results from eliminating trade barriers can provide a major stimulus to economic growth and improve living standards. How to achieve full elimination is the major challenge facing the negotiators. In many instances, appropriate transitional arrangements can alleviate the anxieties and opposition of those accustomed to existing in protected environments. At the same time, achieving early progress where possible in particular sectors or on specific issues of benefit to all parties would create momentum and provide confidence in the liberalization process.

We therefore recommend that Ministers instruct negotiators to seek interim agreements to:

- Support and participate in efforts in the WTO to eliminate tariffs and non-tariff measures on a sectoral basis.

Asia-Pacific Economic Cooperation (APEC) leaders at their Vancouver meeting identified 15 sectors that could be fully liberalized on a multilateral basis. Many of these should be of interest to countries of this Hemisphere, whose support could assure

adoption in the WTO. Achievement of this volume of trade liberalization would constitute a major building block for the FTAA. As a first step, we urge those nations that have not signed on to the Information Technology Agreement to do so.

- **Reduce tariffs within the hemisphere to levels not to exceed 10 percent where barriers cannot be eliminated quickly.**

Such action would be in the interests both of individual countries and in furtherance the goal of the FTAA. Countries taking such action could be given credit in the final balancing of commitments for elimination of all trade barriers.

- **Eliminate immediately tariffs below five percent.**

Such tariffs frequently have nothing more than a nuisance value. Their elimination would have a positive economic effect and, again, would give impetus to the larger FTAA negotiations.

Customs

Among the subjects for potential early agreement are trade facilitation measures. None are more significant than customs harmonization and simplification. Agreement in this area would benefit all and involve no loss of negotiating position for anyone. Our specific recommendations are that:

- **Early agreement be reached on the harmonization of customs systems based on the Harmonized Tariff system, the World Trade Organization (WTO) Valuation Agreement and the revised Kyoto Customs Convention;**
- **Customs procedures throughout the region be simplified through the adoption of common forms and increased use of technology; and**
- **Agreement be reached to increase transparency in customs rule-making and procedures.**
- **Governments that have not already done so sign on to the ATA Carnet Convention (the Istanbul Convention) for the temporary duty-free admission of goods.**
- **Nations adopt the APEC Sub-Committee on Customs Procedures (SCCP) plan for customs harmonization, with two additional provisions for measuring customs release times and compliance with customs measures.**

- **Governments implement the June 4, 1996, Cancun Memorandum of Obligation to harmonize customs procedures for express shipments.**

Standards and Regulatory Requirements

We believe that technical and sanitary and phytosanitary standards and regulatory requirements provide another area where early agreement would make a positive contribution to facilitating trade. As we have done previously, we recommend an agreement that would provide for:

- **Rules on transparency assuring publication of regulations in readily accessible official journals, advance notice of proposed rule-making, with opportunity for public comment and advance notice of final rules and regulations;**
- **Simplification and harmonization of standards and specifications, technical requirements, and regulatory procedures, including promotion of the use of applicable international, regional, or widely accepted industry standards;**
- **Establishment of mutual recognition agreements for conformity assessment and certification, laboratory accreditation, and product markings that would promote regional adoption of the principle of "*approved once, accepted everywhere*";**
- **Establishment of a central registry to which existing and proposed standards would be notified; and**
- **A dispute resolution mechanism to assure that technical and sanitary and phytosanitary standards are based on legitimate health and safety requirements and are not disguised barriers to trade.**

Services

Services represent a dominant portion of the economies of the region and are growing rapidly. Trade in services to date is for the most part concentrated in the fields of retail, tourism, transportation, and travel. Financial services, telecommunications, information technology, professional services and transportation remain highly regulated and restricted. If countries in the hemisphere are to become more competitive globally, it is essential that they accelerate the deregulation and privatization of the services sector. Such measures can, of course, be undertaken unilaterally in each country's self-interest, but an agreement in the context of the FTAA can provide a catalyst for action and investment and growth.

Recognizing that the negotiation of such an agreement will be integral to the larger FTAA negotiations, we believe that certain interim steps can be taken to facilitate trade in services. We recommend that early agreements be reached to provide for:

- **Simplified procedures for business travel;**

Current laws and regulations in many countries are burdensome, time-consuming and costly to business enterprises. The rapid growth of trade requires that firms be able to serve their customers and train employees by quickly moving professional and technical personnel between countries for temporary periods of time. The simplification of the granting of visas and work permits would be a significant facilitator of trade.

- **Adoption of the OECD Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data;**

These guidelines are widely employed by companies and nations globally. They are an essential element of the global information infrastructure on which electronic commerce will be based.

- **Adherence to and implementation of the WTO agreements on basic telecommunications and financial services;**

- **Clear, transparent professional qualification requirements and procedures, technical standards and licensing requirements based upon objective criteria such as professional competence and ability to provide the service;**

- **Transparent rules and regulations governing the provision of a particular service, with advance notice and the opportunity for public comment on such rules and regulations; and**

- **Harmonization or mutual recognition of professional services standards.**

These measures would contribute significantly to the facilitation and expansion of trade in services as well as to the negotiation of the eventual services component of the FTAA.

Investment

Economic problems in Asia have caused some observers to question the wisdom of allowing investment to flow freely. We therefore are extremely heartened that the nations of this Hemisphere remain committed to continuing a process of deregulation and privatization that has encouraged hundreds of billions of dollars in foreign capital to flow to the region.

We believe the time has come to formalize on a hemispheric basis the unilateral measures taken by countries to privatize and deregulate their economies and open them to foreign investment. This view has been endorsed by each of the Business Forums.

As a first step toward negotiating a comprehensive investment accord within the FTAA, we urge countries to reach agreement on a hemispheric Convention on Investment to take effect by the year 2000. The Convention would require that where nations already have opened their markets to foreign investment, they agree to provide for the following:

- National treatment;
- The right of establishment in sectors now opened to investment;
- Full and free repatriation of capital, profits, and dividends;
- Protection against expropriation, and fair, adequate, and effective compensation in cases where expropriation occurs; and
- A prohibition against performance requirements.

The Convention in essence would commit countries to maintain their current level of openness to investment as an initial step toward a comprehensive agreement on investment. In so doing, it would reassure domestic and foreign investors about the stability of the investment regimes in the hemisphere. Future liberalization, including an effective dispute settlement mechanism, would be left to the FTAA negotiations.

Government Procurement

Despite the large-scale privatizations that have occurred in the hemisphere, government purchases account for a significant share of economic activity in many countries. Just as in private economic activity, the public sector should avail itself of the opportunity to purchase the highest quality goods and services at the lowest price, and the private sector should have the opportunity to sell to the public sector on a fair, transparent, and nondiscriminatory basis.

Increasing the transparency of government procurement rules, procedures and practices is an area in which governments should reach a trade-enhancing early agreement. This action was recommended by the Business Forum of the Americas in 1997 and remains a high-priority business facilitation objective for U.S. companies. Such an agreement would help ensure that government purchases are carried out in an open and transparent process.

As an additional step toward the negotiation of government procurement within the FTAA, we urge governments that have not already done so to become signatories of the

WTO's Government Procurement Agreement. While the FTAA's provisions on government procurement ultimately should provide for greater discipline and broader coverage than the WTO agreement, the latter would significantly advance the process of achieving a hemispheric agreement on government procurement.

Intellectual Property Rights

In recognition of the key role that intellectual capital can play in the transfer of technology which enhances economic development, the nations of the Western Hemisphere have made tremendous progress in the protection and enforcement of intellectual property rights (IPR) – patents, copyrights, trademarks, and trade secrets. With many of the higher value-added economic activities increasingly dependent on IPR, it is essential that the FTAA set a new standard for IPR protection, going beyond the levels contained in any existing multilateral or regional trade agreement.

We believe that governments should take steps now to facilitate the transition toward new hemispheric disciplines governing intellectual property rights by:

- **Accelerating their implementation of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) accord so that all commitments are fully implemented and enforced by the year 2000, including: restricting compulsory licensing, providing a 20-year patent term; protecting confidential data for 10 years; abolishing local manufacturing requirements; and fully implementing exclusive marketing rights.**
- **Ratifying the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty by the year 2000, while taking into account the need to address the scope of liability for any copyright infringement.**

Corrupt Business Practices

A free market works best to the extent that all distortions to trade and investment are eliminated. Bribery is among the worst of all distortions. It is inherently non-transparent, discriminatory, and costly to companies that unfairly lose business and societies whose institutions are undermined.

The Organization for Economic Cooperation and Development (OECD) recently concluded a strong anti-bribery convention that will criminalize foreign commercial bribery. The pact is due to enter into force by early 1999. Non-OECD members such as Argentina, Brazil, and Chile already have indicated that they intend to sign the convention.

We urge every nation in the Hemisphere to sign the OECD accord and enact any necessary domestic legislation to implement the convention so that the convention applies throughout the hemisphere by the year 2000. In addition, governments that have not done so should ratify the Organization of American States (OAS) Interamerican Convention Against Corruption. Such actions would send a clear signal to the rest of the world that bribery and corruption have no place in modern society and would encourage other nations to join the accords.

Labor and the Environment

The issue of whether to require enforceable provisions in trade agreements on labor and environmental standards has caused serious contention domestically and in international trade fora, such as the WTO, APEC and the FTAA. The impasse over this issue stands in the way of renewed fast-track authority in the United States and thus the FTAA itself.

There is a clear consensus among business organizations that it is neither reasonable nor acceptable to link trade agreements to labor and environmental standards in other countries. On the other hand, there is growing support for the idea that trade agreements should bar governmental practices that lower standards or derogate from regulations with the effect of distorting trade or investment patterns. Such a provision is contained in the NAFTA barring derogations from environmental regulation in order to induce investment. In its draft fast-track legislation, the House Ways and Means Committee has taken a similar tack.

We would support inclusion in the FTAA of a requirement that governments not derogate from existing environmental, health, safety, or labor measures as an encouragement to gain competitive advantage in trade or investment.

Role of the Private Sector

The private sector is committed to helping the governments of the hemisphere realize the goal of the FTAA. It can do so by providing governments invaluable advice about the impact of trade and investment barriers on the conduct of business. The private sector also can help to mobilize public support within nations for the FTAA and for the legislative and policy changes that are necessary to bring it into being.

The private sector's participation in the FTAA process should take place at two levels. First, at the national level the private sector can contribute most directly to the negotiating process by providing guidance to the negotiators. In the United States and several other countries, advisory committees have been established under law to assist trade officials. Other

nations might well consider emulating this arrangement, the effectiveness of which has been proven over the course of more than two decades.

Second, at the multilateral level, the creation of the Americas Business Forum after the Miami Summit has contributed to the formation of the negotiating agenda for the FTAA and to the activities of the Hemisphere Working Groups. The Business Forum enables representatives from all nations involved in the FTAA to exchange views on the many issues that will be encountered in the negotiations and to seek to develop common positions and collective recommendations to governments.

To make effective the work of the Americas Business Forum, the Forum should continue to meet annually with ministers, and governments should establish mechanisms for providing to the Forum on a timely basis appropriate information on the progress of the negotiations, including feed-back on recommendations submitted by the Forum.

CONCLUSION

The time has come to make the vision of the FTAA a reality. While much useful preparatory work has been accomplished since the first Summit of the Americas, government declarations of support for the FTAA are no longer enough. Such declarations must be translated into concrete achievements.

There is a serious risk that without such achievements, the pendulum will tilt away from trade liberalization and integration toward policies of protection and restriction. The recommendations contained in this paper are intended as a guide to advance a process that will end in the realization of the Free Trade Area of the Americas.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Fernando Henrique Cardoso, President of Brazil to President William Jefferson Clinton (2 pages)	11/10/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

FOLDER TITLE:

Summit of the Americas, April 1998 [2]

2009-1155-F
ke2549

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM*Mack
Nelson
Eric*

FILE CLASSIFICATION: SPTF.cov

Dan

DATE: January 27, 1998

TO : Mack McLarty, Special Assistant to the President
Mark Schneider, Assistant Administrator
David Lipton, Under Secretary

CC : Amb. James Dobbins, Special Assistant to the President
Amb. Richard Brown, Coordinator, Summit
Amb. Jeff Davidow, Assistant Secretary

FROM : L. Ronald Scherman, US EXD

SUBJECT : Fund for Summit Projects through FSO

The attached memo details how the availability of at least \$44 million in the U.S. Social Progress Trust Fund (SPTF), administered by the IDB could be made available for U.S. initiatives at the forthcoming Summit.

A possible option open to the U.S. is for the President to offer funds for the new education initiative being proposed at the Summit, for which President Iglesias is discussing an IDB program of \$500 million. This project can be done through the FSO, which would serve a double function of helping to break the log jam over local currency in the FSO.

We should discuss this matter directly if you wish to pursue it further.

MEMORANDUM

FILE CLASSIFICATION: SPTF.mem

DATE: January 15, 1998

TO : L. Ronald Scheman, US EXD

FROM : Kelle Bevine, Counselor *[Signature]*

SUBJECT : Potential for Transfer of SPTF Funds for New Uses

You requested a complete analysis of the amount of money the U.S. government has on deposit with the FSO that could be converted into a contribution to the FSO to assist programs the President might wish to sponsor as a result of the upcoming Presidential Summit in Santiago.

The original investment of the U.S. government of \$500 million in 1961 has been eroded by U.S. approved contributions to various programs related to the purposes of the SPTF over the years to roughly \$100 million. A major portion of these contributions have been to the Inter-American Foundation (IAF), which has benefitted from roughly \$300 million in contributions from SPTF reflows on a continual basis since 1973. Other technical assistance support has gone to such programs as schools and the River Blindness Foundation. The IAF, as well as other contributions, have been executed by amendment to the SPTF agreement between the Bank and AID, and then passed by the IDB Board of Directors.

SPTF balances are invested by the Bank in FSO loans (called participations) which allows our funds to maintain their dollar value and earn interest. Our decision to invest in FSO participations with the SPTF resources has the financial impact to the Bank of providing additional liquidity to the FSO operations. Nonetheless, from the point of view of the Bank, our resources are available for return to the U.S. government.

The amount of resources on deposit is \$75 million, and of this amount \$32 million is obligated to the Inter-American Foundation through the year 2000. That leaves a balance free from any financial commitments of \$44 million. Subsequently, an additional \$25 million in local currencies will become available from 2001 and beyond as the remaining SPTF loans mature and are repaid (approximately \$2 million or less per year for upwards of the next 20 years). That means a total of \$69 million remains in the SPTF which could be committed by the U.S. government to FSO programs.

The issue that must be addressed in withdrawing this money is not within the Bank, but relates to the authority required to use these resources for any other activity outside of SPTF and whether we would need Congressional actions; I am awaiting feedback from

Treasury's General Counsel's office. It is clear that AID has authorized many contributions, utilizing a major portion of SPTF funds to FSO-related activities in the past so there is a good argument to do so again provided the purposes of the FSO are consonant with the original SPTF agreement. It is possible, however, that if an amendment to the SPTF legislation is required, without re-authorization to convert it into a contribution to the FSO, any withdrawal of resources would be required to flow back to the general funds as a windfall.

Thus, it may be possible to again amend the SPTF agreement to redirect the resources to contribute to the FSO or create a new special fund. Otherwise we could only do so upon specific action by Congress. The only other caveat is that once other agencies understand that the President wants to use upwards of \$44 million in previously authorized U.S. foreign aid resources for his purposes, in these lean budget times, I expect to see the interested agencies (AID, State, Treasury) becoming fire flies over who's got the best idea on how to spend the money.

Cc: Larry Harrington
Bruce Juba
Cressida McKean

INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM

FILE CLASSIFICATION: hond1.30

DATE: January 30, 1998

TO : David Lipton, Under Secretary
Mack McLarty, Special Counselor to the President
Mark Schneider, Deputy Administrator

FROM : L. Ronald Scheman, US EXD

SUBJECT : Aide Memoire on discussion with President Alvaro Arzu of Guatemala

The attached Aide Memoire summarizes some initiatives that were discussed when I spoke to President Arzu when we were both in Honduras last week. I thought you would want to know about them.

① Eric
② Dan
③ Ana Maria



EXECUTIVE DIRECTOR

INTER-AMERICAN DEVELOPMENT BANK
WASHINGTON, D. C. 20577

AIDE MEMOIRE

CABLE ADDRESS
INTAMBANC

From: L. Ronald Scheman, U.S. Executive Director

Re: Observations on discussions between President Alvaro Arzu and L. Ronald Scheman

1. A Central American Guarantee Fund. A joint investment guarantee fund sponsored by all of the Central American governments to insure cross-border investments would have considerable political and fiscal impact. It would be a strong demonstration of the combined political will of the Central American governments to encourage investment. The Fund would insure investments from one Central American country to another, as well as European, Asian and investors from elsewhere in Latin America. The Central American governments would be shareholders in the Fund together with private insurers, following the model the Inter-American Development Bank (IDB) used in financing the Central American Power Grid. The IDB could provide loans to the governments to back up their obligations which would assure the insurers that a backup commitment is safely located with a neutral source. The IDB loan or guarantee commitment, even if it is never drawn down, would upgrade the credit rating of the Fund. The political impact of such a fund on the investment community would be very reassuring.
2. A Fund for Municipal Development. The issue here is enhancing the credit of municipal governments to enable them to borrow on the capital markets for municipal infrastructure projects such as water, sewer, garbage collection, municipal markets, sports stadia or any other facility that would bring in revenue. This type of municipal credit enhancement could be used in conjunction with the proposed BCIE PROMUNI Fund. Instead of lending directly to the municipalities, however, which limits the available resources, the Fund's guarantees would enable the municipalities to go to the capital markets with a much greater multiplier on capital invested. A similar operation was done in Asia by Asia Limited with the help of the Asian Development Bank.
3. Training for municipal government officials. One of the great shortcomings in the education infrastructure of the region is a strong institution for public administration. Such an institution would have two major goals: (1) the training of young people to assume positions in municipal and other governments and (2) short courses and in-service training within the various municipalities. The first step is to designate an existing institution to assume this role and then initiate discussions with the IDB to strengthen the school.

1/22

World Bank
post-Summit (June)
conference of Education & Finance Ministers
w/ key business leaders. Clinton & Cardoso
invited. Wolfenshien to host

main concrete programmatic interest - open
to other ideas!

focus on improving basic education
* how teachers perform in the classroom
who goes into profession, pay scales
pre-service training of teachers
WB would support coming out of summit
collaborate w/ IDB on diagnosis of problem
quick disbursing loans.

*

Chile → meeting of heads of teachers colleges
Education ministers meeting in Mexico
Feb 27 & 28 World Bank presentation
Merida → base work on Summit action plan

military
expenditures
No ex posture. Why
are we (WB) worried?
IMR has greater
expertise, not just
a technical matter.
Also political
frictions.

Countries in region decentralizing → smaller
govt units responsible for education. WB
willing to increase lending under quick
disbursing program.

Wolfenshien travel to Santiago. Unique opportunity

2

Mark - lift, sharpen, brighten Summit agenda
bold initiatives

need for specific initiatives to move
education agenda forward.

RCB - turn words into meaningful deeds.

form working groups to prepare for
Merida

WB IDB VSG GOC
Mexico, Brazil

Sen Sandstrom → let's do a working group.
targets, action on the ground

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. note	Handwritten notes from Mack/Steinberg Summit Meeting (3 pages)	01/13/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

FOLDER TITLE:

Summit of the Americas, April 1998 [2]

2009-1155-F
ke2549

RESTRICTION CODES

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

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SCHEDULETALKS REGARDING SUMMIT DELIVERABLESJANUARY 22, 1998

OK — 10:00 a.m. Meeting between U.S. and Chilean Delegations - ARA Conference Room

no *OK* 1:00 a.m. Luncheon hosted by Enrique Iglesias, IDB headquarters; 1300 N.Y. Ave. N.W.

OK *4:30* *pre-meeting* 4:30 p.m. Meeting at the World Bank with Shahid Burke and staff; 1850 Eye Street N.W., 8th Floor.

OK — 5:30 p.m. Meeting with Sven Sandstrom, Acting President, World Bank, 1818 H St. N.W.

7:30 p.m. Dinner hosted by Amb. Biehl iho Mack McLarty; 2305 Mass. Ave. N.W.

SANT AGO SUMMIT PREPARATORY MEETINGS

1997

1998

SIRG MEETINGS

9th SIRG Meeting
May 20-21
Punta del Este,
Uruguay

Foreign Ministers Meeting
June 1
Lima, Peru

10th SIRG Meeting
Oct. 9-10
World Bank
Washington

11th SIRG Meeting
Dec. 9-11
OAS
Washington

12th SIRG Meeting
Jan. 15-16
Cancun,
Mexico

13th SIRG Meeting
Mar. 9-11
IDB
Washington

14th SIRG Meeting
(PLENIPOTENTIARY)
April 1-2
Santiago, Chile

- Negotiated Agenda Topics for Santiago

- FORMAL APPROVAL OF SANTIAGO AGENDA

- Poverty and Education Initiatives

- Democracy/ H.R. and Econ. Integration initiatives (except trade and cap. mkts.)
- Remaining Education and Poverty Items

- Negotiation of Declaration of Principles and Summit Follow-up

- Finish negotiating Plan of Action

- Finalize Summit documents

Justice Ministerial
Dec. 1-3
Buenos Aires,
Argentina

Finance Ministerial
Dec. 2-3
Santiago,
Chile

Energy Ministerial
Jan. 15-16
Caracas,
Venezuela

Education Ministerial
Feb. 26-27
Mérida,
Mexico

Trade Ministerial
Mar. 19
San José,
Costa Rica

SECTORAL MEETINGS

- PAHO Health Meeting
Aug. 28-29, Santiago

- Microenterprise Meeting
Sept. 19, Washington

- OAS/CIM Women's Meeting
Oct. 23-24, Washington

- OAS/CICAD Meeting
Nov. 4-7, Lima

- Education Meeting
Nov. 18-19, Mexico City

- IDB Infrastructure Meeting
Nov. 21, Washington

- Dem/HR Pre-SIRG Consultation
Nov. 21-22, Santiago

- OAS/CICAD Meeting
Dec. 12, Washington

- Justice Experts Meeting
Jan. 8-10, Santiago

- Supreme Courts Meeting (OSCA)
Jan. 28, Panama

- Third Trade PrepCom
Feb. 10-12, San José

- CSBM Conference
Feb. 25-27, San Salvador

- Energy Steering Committee (tentative)
3rd week of Feb., Mexico

- OAS/CICAD Meeting
Mar. 2-3, Washington

> FTAA Working Groups:

SPS - Jan. 22-23, Mexico City
Procurement - Jan. 27-28, Washington
Services - Jan. 27-28, Santiago

TBT - Feb. 4-5, Washington
IPR - Feb. 5-6, Washington
Dispute Settlement - Feb. 19-20, Montevideo

SANTIAGO SUMMIT - April 18-19, 1998

1/21/98

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. briefing paper	Meeting with Genaro Arriagada (2 pages)	01/22/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

FOLDER TITLE:

Summit of the Americas, April 1998 [2]

2009-1155-F
ke2549

RESTRICTION CODES

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RR. Document will be reviewed upon request.

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NON-PAPER ON SANTIAGO SUMMIT DELIVERABLES

In an effort to strengthen the message of the Santiago Summit, Hemispheric nations should develop several key deliverables that will either appear directly in the Summit documents or in public statements by key leaders participating in the Summit, spelling out commitments in specific terms. Emphasizing a "people's component" in the Summit's initiatives, some of the deliverables which could be highlighted in each of the four baskets could be:

Education Basket

Educating the 21st Century's Citizens: Working with the World Bank and the IDB and through public statements by leaders at the Summit, spell out specific levels of resources to be dedicated to implement the Summit's education initiative--in the range of billions of dollars; announce a specific number --in the thousands per year-- of educational exchanges of students and teachers; and obtain commitments from the private sector to dedicate satellite time for use by education entities across the Hemisphere to enable effective distance learning.

Democracy and Human Rights Basket

Judicial Reform: Emphasize judicial reform as a critical step toward a "a second wave of reforms" across the Hemisphere, by bolstering existing judicial educational institutions throughout the region, and mobilizing international donor support to establish an inter-American judicial studies center somewhere in the Hemisphere.

Press Freedom: Ensure greater freedom of the press by instituting a region-wide annual report by an objective agent--whether an ombudsman or rapporteur-- operating within an entity of the OAS.

Military Transparency: Agree to full transparency in arms transfers and defense spending as well as pre-notification of military exercises.

Drug Alliance: Establish a Hemispheric anti-drug alliance, to include a credible multinational evaluation system of national drug plans.

Extradition Initiative: To make our nations and cities more secure, launch an Inter-American Extradition Initiative to ensure that no criminal can escape prosecution.

Economic Integration Basket

Financial Markets: Adopt measures to ensure more stability of the regions financial institutions, especially during international market disruptions.

Enhanced Aviation Accords: Agree to improve air safety and launch an effort to obtain the world's first regional Open Skies regime to enable faster, safer, more efficient air travel.

Global Electronic Commerce: Adopt a set of principles to develop electronic commerce and the internet as a means to improve information exchange and economic growth.

Sustainable Energy and the Environment: Dramatically upgrade the region's sustainable energy programs, especially focusing on having all Summit nations adopt specific measures addressing global warming and climate change.

Poverty and Discrimination Basket

Labor Rights and Productivity: Bolster labor ministries to ensure labor rights are protected and that essential training and services are provided to enhance worker productivity and improve working conditions and standard of living.

Property Registration for the Poor: Enable the poor to obtain legal registration of and deeds to their property to empower them to become effective participants in every economy.

Healthier People: Pledge to eliminate dangerous communicable diseases by the year 2000 through a comprehensive immunization program; bring child nutrition throughout the Hemisphere to internationally-recommended levels; and create the Americas Telemedicine Network to provide doctors everywhere with real-time information for the treatment of the sick.

Hemispheric Institutions

Reform Inter-American Institutions: Establish a blue-ribbon commission of Hemispheric notables to review and make recommendations by the Summit following Santiago on structural and organizational reforms of the major inter-American institutions to make them more relevant to the Hemisphere's needs in the 21st century.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. talking points	[Talking Points for meeting with Genaro Arriagada] (15 pages)	01/21/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

FOLDER TITLE:

Summit of the Americas, April 1998 [2]

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Lunch w/ Brown/Barr

- incorporate Latin themes into Africa trip
 regime in transition. 15 yrs. ago I didn't think
 Latin would be ready for democracy. Now it
 is. Etc. Virtue of necessity. We're together,
 coherent theme. Role of US leadership
 Unifying themes. Don't rain on summit.
 Confidence in development, shape of post-
 Cold War world.

- Fast Track - huge problem. Can't walk
 away from commitment. Have to deal w/ this

Overall message - DB. US leadership
 critical to stabilization & prosperity. Strong &
 directed on world stage. Rising tide
 lifting all boats. We are in part responsible
 for this. Nations in the rise. Make -
 sustained engagement in the region is the
 key. Process. Make continued progress.
 Concrete agenda, but also a theme -
 Revitalize, create institutions for peace, Dyns.
 Institutionalization of process.
 ** Educational / poverty link. Greatest
 overall concern. Latin poverty holding us back.
 Land tilling, entrepreneurship critical. Also
 plays in Africa.

Deliverable - Peace Corps. Commit to
 education. Public/private partnership. New
 resources.

Bernie need specifics, credibility, given interest
 in specific reduction targets. Put
 Latin into foreign policy context. Education
 press. Not understanding. Influence centers
 briefing, political & economic briefings.
 Validators. Latin Am is a key area. Show
 seriousness of purpose. Broad foreign policy
 & economic community.

Make - cabinet meeting in 30 days.

Set agenda. Let it get out.

What's going on in parallel, what can
 each region learn from each other?
 POTUS should do dinner beforehand,
 invite broad interest, development
 experts etc.

R. div speech between Africa + Summit?
 op/ed

Trade matters

(Integration deepening, cooperation broadening)
 Fast track - with bill, first do no
 harm.

Trade & investment, labor standards
 Gene - f/t is a tactical defeat, not the
 end. Use the bill (demonstrating is not a
 smooth process) to bolster education
 etc so hemisphere will be in better position
 to take advantage when we actually get
 there.

Cable selling speech. University setting?
 Land reform - huge deal if we can get
 it. Long history. Get credit.

NSC → bitter inter-American calendar
 morning downside

→ Central American for sustainable dev
 → memo to POTUS re: ideas, lunch

MEETING ON SANTIAGO SUMMIT OF THE AMERICAS

Tuesday, January 27, 1998 at 4:30 p.m.
White House Situation Room

AGENDA**DRAFT**

I. SCHEDULING ISSUES

- OTHER STOPS
- STATE VISIT
- TIMING AND HOST OF NEXT SUMMIT

II. UPDATE REPORTS

- PRE-ADVANCE TEAM VISIT TO SANTIAGO
- CANCUN SIRC MEETING
- ARRIAGADA VISIT TO WASHINGTON
- POLITICAL DECLARATION NEGOTIATIONS

III. UPDATE ON KEY DELIVERABLES

- FTAA/FAST TRACK
- LABOR MINISTERIAL
- ENVIRONMENT/CLIMATE CHANGE INITIATIVE
- SECURITY/DEFENSE INITIATIVES
- PRESS FREEDOM
- EDUCATION
- JUSTICE STUDIES INSTITUTE
- FINANCIAL INSTITUTIONS

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages ► 1

To ERIC FARNSWORTH	From TED PICCONE
Dep/Agency 6758C	Phone # 69139
Fax #	Fax #

NSN 7540-01-317-7368

5099-101

GENERAL SERVICES ADMINISTRATION

DRAFT

Discussion with Bernard Aronson

The Summit and Its Context

Status of:

- Summit plan of action
- Key deliverables
- Fast track
- Other factors (Africa trip)

Communications Issues

- Lack of signature deliverable (a la "FTAA by 2005" in Miami)
- Victims of our earlier rhetoric (portraying trade as the central LatAm issue)
- Lack of visuals (particularly in view of Africa trip)
- Lack of drama (i.e., compared to crash of Asian economies)
- Economic uncertainty and negativity (concerns that LatAm economy will turn down, future not as bright as last year)
- Potential trouble in hemispheric hotspots (Colombia, Paraguay, Peru/Ecuador, Chiapas, Panama, another market crash)

Development of Key Themes and Communications Strategy

Open discussion

Key deliverables
E/T
environment
press freedom
education
judicial studies center
financial institutions
labor/security

Follow from Miami, build

- ① education
- ② economics & trade
- ③ development of democracy
- ④ alleviation of poverty

Bernard Aronson

The 'Morning After' in Latin America

Less than three years ago, at the Miami Summit in December 1994, the elected heads of state of the hemisphere's 34 democracies, led by the United States, unanimously committed themselves to a bold agenda of economic reform culminating in free trade throughout the Americas by the year 2005. But when President Clinton travels to Argentina, Brazil and Venezuela this week, he will visit a hemisphere suffering from "reform fatigue" while Congress debates whether even to give the president authority to negotiate a free trade agreement with Chile.

In both Latin America and the United States, it is "the morning after" nearly a decade of dramatic market openings and trade expansion throughout the hemisphere. In Latin America, resurgent economic populists argue that persistent unemployment and poverty prove that the "neo-liberal" economic model of lower tariffs, reduced spending and subsidies and privatizations exacerbates gaps between rich and poor and only benefits the economic elite. In the United States, opponents of presidential fast-track authority argue that trade agreements like NAFTA force American workers to compete unfairly against low-paid workers in emerging markets and against imports that do not meet U.S. health and environmental standards.

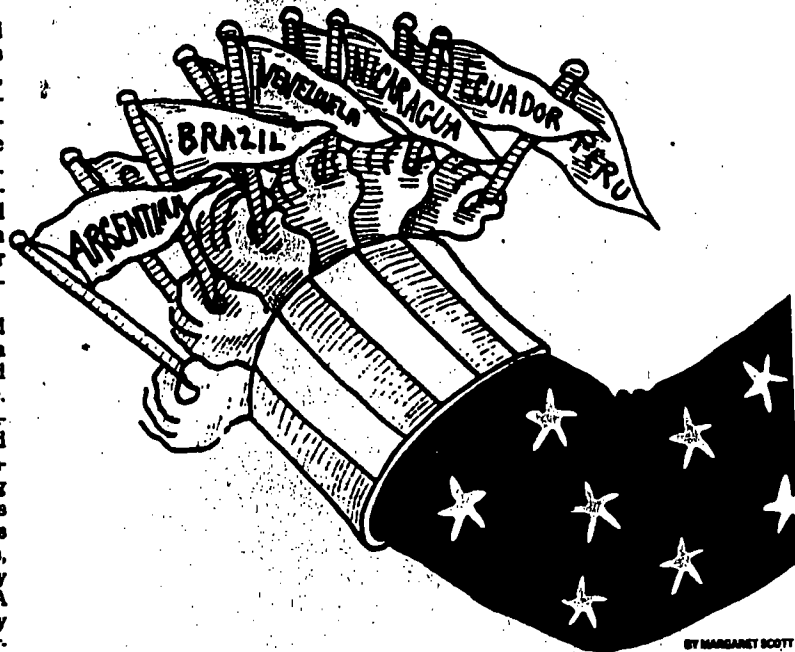
Today a debate is underway across the Americas about how to balance the demands of a global marketplace against the needs of social equity.

President Clinton should join this debate when he visits Latin America. The stakes are high, and U.S. leadership is crucial to its outcome. And as a "New Democrat" president—who has tried to steer a third course between traditional big-government solutions to social problems and the abdication of any legitimate government role—he has something relevant to say. The message might go like this:

In the 1970s the Democratic Party misjudged how inflation ravaged poor and working families and was shut out of national power for more than a decade. Those who seek to speak for those constituencies in Latin America should not repeat that mistake. The hyperinflation that consumed Latin economies in the previous "lost decade" destroyed the wages and savings of working and poor families. And they have benefited the most from the economic stabilization policies that now protect the value of Latin currencies. Chile, the Latin nation that in recent years has gone furthest in opening up its economy, also has made the most progress in reducing poverty, lowering unemployment, raising retirement benefits and expanding educational opportunity.

What is at stake in the battle for reform in Latin America is not only the fate of the poor but the future of democracy.

What guerrilla forces fighting in the mountains could not accomplish after decades, global trade, capital flows, communications and technology are doing daily: undermining and sweeping away the traditional authoritarian structures that long governed and suppressed Latin American societies.



BY MARGARET SCOTT

That is because the traditional closed, protected economies of Latin America were the breeding ground for a nexus of cosy and often corrupt relations between powerful economic groups who depended on state favors and their friends in government. Breaking down that nexus of economic and political power creates for the first time in Latin America the possibility not only of real upward mobility for ordinary citizens but also real democratic accountability for government leaders.

It is not an accident that the most democratic elections held in Mexico's history and the first congressional majorities won by opposition parties followed the opening of its markets. Nor is it coincidental that today Latin civic groups, newspapers, television, radio and ordinary citizens are challenging official corruption with an energy and determination rarely seen before, or that heads of state in Brazil and Ecuador accused of official corruption have been forced from office by popular discontent.

Still, the critics of reform have a point. Chile's social progress remains the exception not the rule. The World Bank estimates that 50 million Latin Americans have joined the ranks of the poor since 1950. The process of economic reform in Latin America will not be sustained politically unless its advocates can demonstrate concretely that it offers a better life for the hemisphere's impoverished citizens.

Here neither the ideologues of the market nor the ideologues of the state offer all the answers. For Latin America faces a paradox. As it reduces the power of the state to control and intervene in the economic marketplace, Latin America must strengthen the capacity of the state to deliver human services and safeguard basic rights. As Latin American governments get out of the business of producing steel and aluminum, subsidizing

food, fuel and utilities, regulating labor markets and operating telephone and electric companies, they have to get into the business of providing all their citizens, particularly the marginalized poor, safe drinking water and sanitation, world-class public education, basic health services, modern highways and airports, security against crime and violence, safeguards against fraud in the marketplace, protection of their right to organize trade unions and bargain collectively and an independent judiciary where the law, not corruption, rules.

In many Latin nations, for example, the system of licensing and regulation for new small businesses is so complex and time-consuming that it permanently shuts the poor out of the formal economy, denying them access to credit, property rights and the chance to grow their businesses enough to enjoy economies of scale. It must be pared back drastically. But the inefficient and antiquated system of collecting taxes that allows many of the hemisphere's wealthiest citizens and corporations to escape any civic obligation must be strengthened significantly.

How to balance the demands of the marketplace in Latin America against the responsibilities of the state cannot be dictated by an American president. It must emerge, as it has in our own history, through the tug and pull and often messy politics of a democratic society. But the president's voice will make a difference, as will the decision by Congress on reauthorizing the president's authority to negotiate expanded trade in the Americas. A no vote would dramatically tilt the debate in Latin America against the reformers who are transforming the hemisphere.

The writer served as assistant secretary of state for inter-American affairs from June 1989 to July 1993.

The Washington Post

SUNDAY, OCTOBER 12, 1997

① Under + micro reform not mutually exclusive
② Chile the exception because it gave the furthest in opening up the economy by the market based economy

McLarty - Steinberg Talking Points
January 27, 1998

Next meeting
Feb. 12 4:00 PM

Scheduling Issues

- Need decision quickly re: timing of State Visit.
- Strongly support at least one additional stop besides Santiago. Will help with visuals, and can be done quickly on the way to/from Santiago. FLOTUS travel will also help.

Update Reports

- Need to improve Summit visuals, per pre-advance report.
- Brief on your day-long visit with Arriagada
- Support need for quick turnaround for political declaration--once our position is set, extremely difficult to back track. We must be fully coordinated.

Update on Key Deliverables

- Fast Track positioning within the State of the Union
- We need to look for opportunities (Cabinet-level travel, etc) to highlight these key deliverables in the run-up to the Summit, much as POTUS did with SOU rollout. For example, MM speech to IAPA will highlight press freedoms.

Next Steps

- NSC should produce a coordinated strategy for Cabinet rollout, including Riley, Rubin, Barshefsky, Albright, Daley, etc., link to comprehensive schedule of upcoming events. Communications should begin to flesh out a strategy in advance of the Summit.
- Suggest need for DC within two weeks to plot comprehensive rollout strategy.
- Recommendation from State re: additional stops for POTUS, stops for FLOTUS
- Press corp. recommendations
- Native community - as a result
- Children's education - model document of the Americas on program
- A working version

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004a. memo	Patrick DeSouza to James Steinberg, re: Your Meeting on the Santiago Summit (5 pages)	01/26/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

FOLDER TITLE:

Summit of the Americas, April 1998 [2]

2009-1155-F
ke2549

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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MEETING ON SANTIAGO SUMMIT OF THE AMERICAS

Tuesday, January 27, 1998 at 4:30 p.m.
White House Situation Room

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Virtual
Summit /
Distance
Learning

* Ways to lift visuals
1. Children into education
2. Peace Corps - well known
3. change meeting venue
4. FLOPS travel / other
stops

5. Make Connectivity for
minded

January 21, 1998

CC: 1A

MEMORANDUM FOR MACK MCLARTY

FROM: ANDREW FRIENDLY

SUBJECT: SANTIAGO ADVANCE MEETING

As you know, last week the Chilean government hosted representatives from the countries invited to the Summit in April in order to discuss the schedule and logistics for the meeting. All but the Caribbean countries were represented by somebody from their foreign ministry or their embassy in Chile.

SCHEDULE AND ISSUES:

Most of the working meetings and events surrounding the Summit are planned for the Sheraton Hotel since all of the leaders, except President Clinton, will be staying there. The Summit starts at 9 am on Saturday, April 18th with an Inaugural Ceremony in one of the hotel's ballrooms and planned remarks by President Frei and President Clinton. The first working session is that morning in another ballroom of the hotel and is scheduled to last until 12:45 pm. There will be an official photo and lunch at the Camino Real Restaurant on a hill overlooking Santiago until 2:45 pm and the second session, back at the hotel, will start an hour later and last until 6:30. President Frei will host a performance and dinner at La Moneda that night for the leaders and spouses only. At the same time, the foreign ministers will be having a dinner, possibly with the other ministers who will be in Santiago, at the Mapocho Station Cultural Center. (Mapocho is a former train station that has been converted into a center for performances and exhibits. During the Summit week, it will contain exhibits and food from all the countries of the Americas. Our Embassy has arranged for Herbie Hancock and his band to represent the U.S. A number of U.S. companies are helping to sponsor the events and exhibits.)

Sunday's schedule starts at 9:45 with the final working session at the Sheraton. President Frei will host a lunch in his suite before the closing ceremony and communicate signing in another hotel ballroom. According to the Chileans, President Clinton and President Frei are expected to host a press conference until 4:30 pm. Both the lunch and the press conference are new additions to the Summit schedule and take away from any free time that the President might have had that afternoon. Presumably, the State Visit would start that night with a State Dinner hosted by the Freis.

The schedule for the State Visit is still to be determined, but the Chileans have made it clear that the President will be expected to lay a wreath at the O'Higgins statue in Santiago, speak to the

Congress in Valpariso (a 45 minute helicopter ride away on the coast), meet with President Frei for bi-lateral discussions, and perhaps have a meal with Frei at his summer house in Vina del Mar (a 15 minute drive from the Congress). The President would presumably return to the U.S. that night. Other events that should be kept in mind include Ambassador Guerra's desire to have the President address the business community -- perhaps at the American Chamber of Commerce; a meeting with any opposition leaders, if necessary; and a meet and greet with the Embassy staff.

According to the Chilean protocol chief, there is no official spousal program yet, but Mrs. Frei is considering organizing one. Since she will be hosting the First Ladies for their meeting in Santiago in October, it is unclear how many will be coming in April. I talked with Patti Solis yesterday about Mrs. Clinton's schedule and the possibility of stopping in other countries before coming to Santiago for the State Visit portion. Patti is very interested in your suggestions for possible stops, but is also concerned that the Chileans will eventually lay on a spousal program that Mrs. Clinton would be obligated to attend. Maybe you want to feel out the Chileans about Mrs. Clinton not arriving until Sunday evening.

Visually, the visit is shaping up to be very flat. There is nothing attractive about the meeting venues and the only sight that looks foreign, La Moneda, is late on a Saturday night -- a black hole for the press. I don't know how much we can change the Summit designs, but we might have some flexibility for the State visit sights or events. Maybe a business event could be at a factory or the stock exchange, something other than a hotel ballroom. Also, the lack of free time poses a significant problem to appease the President's desire to "see something" of real Chile. Shots of Mrs. Clinton in pretty places with real Latin Americans might be a good way to fill the vacuum of good pictures on Saturday and Sunday.

The most significant event of the meeting last week was the draw for seating and placement assignments for all the working sessions, the official photo, and the closing ceremony. We participated in the draw, but made a case with the Chilean protocol chief that as the former host of the Summit, President Clinton should be treated differently. Our Embassy will continue to work the issue to ensure that the President is seated to the right of President Frei and is treated appropriately at the other events. Oscar Pizarro told Charles Shapiro, our DCM, that our concerns would be answered and not to worry.

OTHER CONCERNS

Some other issues that you should be aware of:

- Brazil, on behalf of the MERCOSUR countries, made a motion to be seated together and treated as a block for the meetings -- the Chileans avoided dealing with the issue for now
- the Chileans are sending a military plane to Miami and San Jose to pick up whatever leader wants a ride to Santiago on Friday, April 17th. They will be taken home on Sunday

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004b. memo	Andrew Friendly to Mack McLarty, re: Santiago Advance Meeting [partial] (1 page)	01/21/1998	b(7)(E)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Farnsworth, Eric
OA/Box Number: CF 1047

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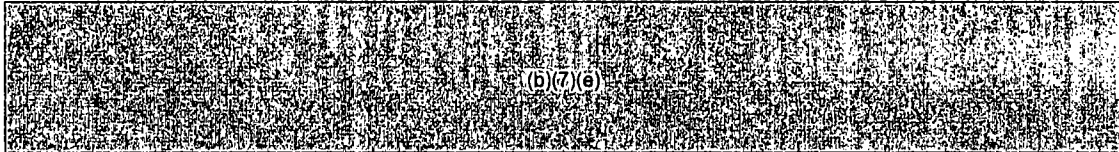
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- all the leaders are expected to make some remarks upon arrival at the airport on Friday
- the airport in Santiago will be shut down to all commercial traffic on Friday and Sunday, supposedly the airlines were told of this many months ago
- all of the leaders except President Clinton will travel by bus to the lunch and dinner at La Moneda



[00416]

While recent Presidential overseas trips have included Congressional representation, it will be very hard for Members of Congress, Governors, business leaders, or other members of any official delegation to be included in the Summit activities. Creating a separate program for such a delegation might prove to be more difficult than it is worth.

CONCLUSION

All in all, the Chileans are far along in the Summit planning and seem to be very well organized.



That being said, however, the Summit lacks energy or character. We should start to work with the communications office on ways to infuse the weekend with some color and visuals. Perhaps the Chileans will be open to some suggestions.

The biggest outstanding issue is still our plans for the State Visit. We owe them an answer right away. I don't think we have a real choice other than to do it on Sunday night and Monday, but maybe you could strongly encourage the NSC and scheduling to settle the matter.

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004c. memo	Samuel Berger and Mack McLarty to the President, re: Your Trip to the Santiago Summit of the Americas (4 pages)	n.d.	P1/b(1)

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