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Folder Title:

Chile-Summit II, 1998 [Summit of the Americas] [6]

Staff Office-Individual:

Inter-American Affairs

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Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. briefing paper	Confidence- and Security-Building Measures (CSBMS) (2 pages)	ca. 03/1998	P1/b(1)
001b. briefing paper	Terrorism (1 page)	ca. 03/1998	P1/b(1)
002. email	Theodore Piccone to M. Diana Helweg and the National Security Advisor, re: Chile Trip Planning (2 pages)	03/26/1998	P1/b(1)
003a. memo	Patrick DeSouza to James Steinberg, re: Your Meeting on the Santiago Summit (5 pages)	03/20/1998	P1/b(1)
003b. list	Preliminary List of State Visit Deliverables (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs
OA/Box Number: 1935

FOLDER TITLE:

Chile-Summit II, 1998 [Summit of the Americas] [6]

2009-1155-F

kc2464

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]
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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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NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

FROM: KENNEY, K

DOC DATE: 26 MAR 98
SOURCE REF: 9805323

KEYWORDS: SUMMIT OF AMERICAS
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PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: BACKGROUND PAPERS FOR SANTIAGO SUMMIT

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

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D O C U M E N T D I S T R I B U T I O N

FOR ACTION
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DOC 4 OF 4

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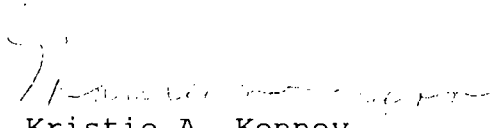
*Washington, D.C. 20520*UNCLASSIFIED

March 26, 1998

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Background Papers for the President's April Trip to
Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.


Kristie A. Kenney
Executive Secretary

Attachments:

Bananas
Multilateral Counternarcotics Issues
Santiago Summit Follow-Up
Confidence and Security Building Measures
Santa Cruz Summit Report
Capital Markets
Summit and Children
Cuba and the *Libertad* (Helms-Burton) Act
Combating Hunger and Malnutrition
Infrastructure Development
Climate Change and Sustainable Development
USAID Support for the Summit
Property Rights and Registration
Human Rights of Migrant Workers and Their Families
Strengthening Municipal and Regional Government

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Attachments (continued)

Reform of the Inter-American System
Free Trade Area of the Americas and Fast Track
Economic and Financial Overview
Economic Integration and Free Trade - Overview
Capital Markets and Flows
U.S. Trade and Investment Relations with Latin America
USAID Economic Assistance in the Hemisphere
"Peoples Summit"
Terrorism
Corruption
Democracy and Human Rights - Overview
Energy Cooperation
Strengthening Civil Society
Protection of Indigenous People
Democracy and Human Rights
Labor Rights
Modernization of the State and Labor Ministry Reform
Education - Overview
Science and Technology
Electronic Commerce

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DECL: N/A

BANANAS

Bananas remain a thorny issue in our relationship with the Caribbean. Several Eastern Caribbean micro-states are highly dependent for foreign exchange and employment on banana exports to the EU, which gives special treatment to their high-cost bananas. The US objects to those elements of the regime which discriminate against US banana marketing companies and violate WTO rules. The regime also severely limits exports from Latin America, with more efficient producers and populations even poorer than the Caribbean.

Last year, the US and four Latin American countries won a WTO case against the EU on this issue. In response, the EU pledged to make its regime consistent with the WTO by January 1, 1999.

The EU Commission has proposed a new quota-based regime which we strongly believe is inconsistent with the WTO. Despite repeated offers to share our views, the Commission did not consult with us before it finalized this proposal. We and our Latin American allies (Ecuador, Guatemala, Honduras, Mexico, and now Panama) have signed a statement opposing it. The proposal has not been adopted by the EU member states, many of which oppose it.

To protect our own trade and security interests in the Caribbean, we developed a tariff-based proposal which would 1) be consistent with the WTO, 2) provide special treatment for the most vulnerable Caribbean states, and 3) allow market growth for Latin America. We consulted with the Caribbean on January 17; they showed interest but reportedly prefer the Commission proposal.

TALKING POINTS

- The US has a strong interest in promoting economic development and political stability in the Caribbean.
- We believe the EU can reform its banana import regulations to make them consistent with WTO rules, preserve the economies and democracies of the Caribbean, and allow growth for other producers. We have some ideas on how this might be done which we shared with the Caribbean and other interested countries.
- We cannot accept the EU Commission's proposal which would violate fundamental rules of the WTO. Because this proposal would be ruled -- yet again -- to violate the WTO, it would not provide the security which the Caribbean needs for its banana trade.
- We stand ready to work with the EU and other countries on developing an alternative EU regime which is both WTO consistent and helps the Caribbean.

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DECL: N/A

MULTILATERAL COUNTERNARCOTICS ISSUES

The USG is seeking to enhance multilateral counter-drug efforts in the Hemisphere. In a parallel, but distinct, effort, State is also working to improve application of the certification law and is examining recommendations for possible changes to the law. While success in improving multilateral cooperation may affect our recommendations for improving certification, our multilateral efforts are not an attempt to replace certification; it remains the law.

The objective of our multilateral approach is to establish a counterdrug alliance for the hemisphere; an alliance with explicit goals, commitments, and responsibilities. At Santiago, we will be looking for a mandate from the hemisphere's presidents to: strengthen our alliance by fully applying the Hemispheric Anti-Drug Strategy; develop a mechanism for assessing counternarcotics progress; strengthen national and international cooperation on prosecutions and extradition, money laundering, chemical controls, and illicit manufacturing and trafficking in arms.

Reactions have been positive, with some reservations. A common question is whether the assessment mechanism would replace U.S. certification. President Zedillo has told President Clinton that Mexico objected to being subjected to two "certifications" at the same time. We have reiterated at every opportunity that the mechanism would be separate from certification, but noted that a credible mechanism might -- eventually -- make the U.S. process unnecessary.

On a separate, but related issue, discussions between the U.S. and Panama on establishing a Multinational Counternarcotics Center (MCC) for intelligence and training continue. However, the discussions have been increasingly difficult. There is still chance for an agreement - but success is increasingly doubtful.

TALKING POINTS

- The increased cooperation among countries since Miami is leading toward a hemispheric alliance against drugs. As partners, we must also develop a multilateral mechanism wherein each of our countries can be evaluated in an objective, credible manner.
- Our goal is improving multilateral counternarcotics efforts in the Hemisphere, not searching for a certification replacement.

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DECL: N/A

SANTIAGO SUMMIT FOLLOW-UP

The Miami Summit was successful in reinvigorating hemispheric relations in a wide range of issues. The resulting flurry of activity necessitated the creation of informal mechanisms to coordinate follow-up among the 34 countries and four hemispheric organizations. In the run-up to Santiago, several countries, including the U.S., identified the need to "institutionalize" the Summit process and make the existing hemispheric mechanisms more responsive to the mandates of leaders.

The U.S. has drawn a distinction publicly between three functions of Summit follow-up: implementation, monitoring, and formulation. Implementation involves the day-to-day work of carrying out the leaders' directions, such as development of an international agreement or new action programs. While governments have the primary responsibility for implementation, the U.S. has argued for stronger roles for the hemispheric organizations - the OAS, IDB, PAHO, and ECLAC - in carrying out this function. The OAS, which has done a credible job of responding to the Miami and Bolivia Summits, has a special role in this as the hemisphere's primary political forum. The OAS can also support governments by performing some secretariat functions and maintaining the institutional memory of the process.

Monitoring, or periodic reviews of performance by countries and international organizations, has been ably carried out by the Summit Implementation Review Group (SIRG), an ad hoc group of senior foreign ministry officials. The U.S. has argued that this function should be independent of any one country or institution and should operate on the principle of consensus. A consensus is emerging for the SIRG to continue, led by a troika of past, present, and future Summit hosts. The U.S. will remain in the troika until after the next Summit.

Formulation of future Summit agendas is a third follow-up function which Chile and others want the SIRG to perform. The OAS should play a supportive role in this process.

The Chileans want the Santiago Plan of Action to contain a section on follow-up (missing in the Miami Summit) that formally spells out the mechanisms for carrying out Summit mandates. Foreign ministers will also meet to propose recommendations for modernizing the OAS and strengthening other inter-American institutions. [Note: This paper was drafted before the April 1-3 plenipotentiary meeting, when this issue was scheduled to be negotiated.]

FTAA Negotiations: Miami will serve as the hub for the first three years of FTAA negotiations, to be conducted through nine

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negotiating groups including agriculture, market access, services, and intellectual property rights. Over the planned seven-year negotiating cycle, Canada, Argentina, Ecuador and a joint U.S./Brazil team will rotate presidencies of the FTAA process. At our behest, a committee will be established to expand the involvement of environmental, labor and academic groups in FTAA deliberations.

TALKING POINTS

- Our governments should be proud of the follow-up efforts we have undertaken since Miami. Implementing and monitoring our commitments are critical if we are to show our people that Summits are credible and produce results.
- As the host of the Miami Summit, my government compiled a comprehensive progress report on the Miami Summit, which each of you has received. This report, to which many of your governments contributed, is a testament of the commitment of the hemisphere to carry out what they agree to.
- The OAS is uniquely qualified to play an important role in carrying out Summit mandates and possibly could help prepare for future Summits. All governments should seek to strengthen its capabilities to respond to our agreements. We also look to the IDB, PAHO, ECLAC, and World Bank to support Plan of Action follow-up, as appropriate.

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DECL: N/A

SANTA CRUZ SUMMIT REPORT

The December 1996 Santa Cruz Sustainable Development Summit (mandated by the 1994 Miami Summit) addressed a broad spectrum of economic, social and environmental issues in an Action Plan with 65 initiatives. The Plan emphasized the importance of public participation; technology; innovative financing; and stronger legal frameworks to achieve sustainable development.

The Plan also invited the OAS Secretary General to prepare a progress report on Santa Cruz implementation prior to the 1998 Santiago Summit. This report, presented in March, draws on input from the Interagency Task Force on Bolivia follow-up formed in February 1997 and coordinated by the OAS Secretariat. Task Force members include agencies of the UN and inter-American system, as well as all major development banks and agencies in the Region.

The report cites the effective collaboration of Task Force working groups and describes progress since Santa Cruz in such areas as sustainable energy, industrial pollution prevention, potable water, and urban sanitation. It also highlights the Inter-American Strategy for Public Participation formulated to strengthen public sector-civil society partnerships and reports steps taken to launch the Inter-American Biodiversity Information Network (IABIN) and an Inter-American Environmental Law Network. We strongly support these activities.

The report proposes an innovative approach to promoting sustainable development -- The "Forum on Sustainable Development." The agenda for annual OAS Integral Development meetings would include topics falling within two interrelated sustainable development sectors (e.g., health and water), allowing ministers to take a cross-sectoral approach.

The U.S. produced its own report on Summit Implementation which documents activities undertaken domestically or in partnerships with others to advance sustainable development. This Report focuses on water resources; biodiversity; and sustainable energy (including the U.S. Climate Change Action Plan). It also describes efforts to increase the role of civil society in sustainable development decision-making and to identify and employ innovative financing models.

TALKING POINTS

- We welcome this comprehensive and balanced assessment and commend Secretary General Gaviria for the care and effort taken to report activities in the 16 months since Santa Cruz.
- The report and its recommendations also challenge us to intensify our efforts for an environmentally sustainable approach to economic, social and cultural development.

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DECL: N/A

CAPITAL MARKETS

At the Miami Summit of the Americas, Heads of State called on the hemisphere's Finance Ministers to establish a Committee on Hemispheric Financial Issues (CHFI) to advance economic and financial reform and integration in the region. Ministers have held two meetings since then, most recently in December 1997. The United States and Chile presently co-chair the CHFI. Chile and Mexico will head the group following the Santiago Summit.

When Secretary Rubin and other Finance Ministers of the hemisphere met in December, they agreed that the region's relatively healthy financial sectors had been a key factor in shielding it from the financial turmoil sweeping through Asia. They agreed it was essential to work together to strengthen further and modernize their financial systems, in order to safeguard stability, promote financial integration, and support sustainable economic growth.

Building on previous initiatives in the areas of bank supervisor training and financial system transparency, the Ministers adopted a six-point action agenda for approval by Heads of State at the Santiago Summit. The agenda focuses on strengthening the financial sector, with core measures designed to improve banking supervision, in particular through implementation of the Basle Committee's "Core Principles of Effective Banking Supervision." Other elements of the action plan include banking system transparency and disclosure, enhanced training, efficient and secure clearance and settlement standards, combating financial crimes, and a modern legal and regulatory framework for microenterprise credit and microfinance institutions.

TALKING POINTS

- Latin America's solid progress on economic reform and the soundness of its financial sector helped shield it the financial turmoil that swept through Asia.
- The United States fully supports the agreement to implement international standards on bank supervision. Fulfilling that commitment would make our region the first to do so.
- It is important that Finance Ministers devote adequate resources to implementing the entire plan of action.

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DECL: N/A

SUMMIT AND CHILDREN

The majority of children in Latin America and the Caribbean, who represent more than 40 percent of the population, are deprived of a decent, high-quality education. Many children work rather than attend school.

Education is vital to the region's growth, social advancement, and democratic progress. Yet, Latin America's schools are in crisis. Latin America leads all developing countries in the proportion of repeaters (about 29 percent per year) in elementary school, which costs about \$2.5 billion each year. Fewer than half the students who begin primary school will complete the cycle and most students entering secondary school do not graduate. About 12 percent of children of primary school age are not attending school and, despite national child labor laws, are working instead. The poor are highly concentrated in public schools, which are generally of poor quality.

The hemisphere's nations recognize the causes and problems of the education crisis in the hemisphere and are proposing Summit initiatives to address the problems. For example, a recent policy declaration of a hemispheric meeting of Ministers of Education committed to reduce significantly school dropout rates and repetition and improve the quality of education.

TALKING POINTS

- The Summit nations are seeking to establish the minimum conditions necessary to achieve universal access to quality education. The idea is to establish a Children's Education Bill of Rights in which each nation would determine its own targets to meet the minimum conditions for quality education. The Bill of Rights may encompass a variety of Summit initiatives, including, among others: health and nutrition programs focused on the educationally disadvantaged; improved teacher and school principal training; appropriate learning materials that enable children to master math and science and develop democratic values; establishing national or sub-national educational standards and methods of measuring student performance; and appropriate and cost-effective educational technology.
- Improving educational opportunities, especially for the poor, will address, in part, the issue of child labor. The Summit will serve to heighten visibility of the issue of child labor and support innovative "back-to-school" programs.

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CUBA AND THE *LIBERTAD* (HELMS-BURTON) ACT

The Pope's visit increased Latin American interest in Cuba. In February, Guatemala announced resumption of diplomatic relations. Some have wrongly interpreted our March 20 measures as an easing of our policy to pressure the Cuban government. We stress that the measures do not alter our policy, but enhance our efforts to support the Cuban people.

Our multilateral initiative to promote democracy in Cuba, begun in 1996 with the first suspension of the *Libertad* Act lawsuit provisions, focused on Europe, Canada, and Mexico, and then on Central and South America. El Salvador's Calderon Sol, Nicaragua's Aleman, and Argentina's Menem have called for democratization in Cuba, but Menem is now more conciliatory and may visit Cuba. The current suspension of the *Libertad* Act lawsuit provisions expires July 31, 1998.

Chile works with us to an extent on Cuban issues, such as voting in favor of resolutions in the UNGA and the UN Human Rights Commission (UNHRC). The UNHRC considers Cuba on April 24, so we recommend you ask President Frei for Chile's co-sponsorship. Brazil is closer to Cuba and will abstain on the UNHRC resolution. It is working to invite Cuba to next year's Latin American - EU Summit.

Latin American nations object to the *Libertad* Act as interference in their relations with a third country. Businesses from Canada, Mexico, Brazil, Chile, and elsewhere operate in Cuba and could be subject to the Act if they are involved with expropriated property claimed by a U.S. national. (Officials of Canada's Sherritt International have been denied admission to the U.S. under the Act.)

Talking Points

- The measures we announced March 20 are a response to the Pope's visit.
- We are not relaxing our pressure on the Cuban regime to democratize. We urge that others not, either.
- The March 20 measures support the religious opening in Cuba, expand humanitarian assistance to the Cuban people, strengthen independent civil society, and help the Cuban people prepare for a peaceful transition to democracy.
- We are implementing the *Libertad* Act in a transparent manner.
- (Chile only) We request your co-sponsorship of our Cuba resolution at the Geneva UN Human Rights Commission April 24.

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DECL: N/A

COMBATING HUNGER AND MALNUTRITION

Hunger and malnutrition are still serious problems in the Western Hemisphere. They are a direct result of poverty and have negative effects in both the short and long term.

The Summit Action Plan gives highest priority to reducing malnutrition among pre-school children. This is the most serious problem, because of the large numbers of malnourished children in the hemisphere and because of the negative impact that malnutrition has on these children for the rest of their lives. The Action Plan also calls for giving priority to the nutritional needs of pregnant and lactating women and other high risk groups such as the elderly and disabled and the creation of alliances with the private sector to fight hunger and malnutrition in the hemisphere more generally.

This emphasis on improving the nutritional status of preschool children is particularly appropriate as part of a Summit that has identified education as the key for progress. This is because the losses in growth and cognitive development that take place during the first years of children's lives due to inadequate nutrition will have lasting effects on the ability of these children to learn and to benefit from the education made available to them as well as to their productivity as adults.

Approximately 11 million pre-school children in this hemisphere suffer from moderate to severe malnutrition. Chronic malnutrition (stunted growth) affects 20% or more of the children under five in 10 out of the 19 countries for which we have data, with over 30% of the children chronically malnourished in six of these countries.

The greatest nutritional threat to children occurs between the ages of six months to three years -- when a child is most likely weaned from breast milk to solid food. Health and nutrition programs which target children under three and put more emphasis on the proper feeding of children in this age group combined with increased utilization of the traditional child survival and reproductive health interventions can be used to help improve the nutritional status of preschool children within the region.

TALKING POINTS

- Hunger and malnutrition are still serious problems in the Hemisphere, with the greatest threat being to children under the age of three. An emphasis on improving the nutritional status of preschool children is particularly appropriate as part of a Summit that has identified education as the key for progress, considering the lasting negative impact malnutrition has on the growth and cognitive development of these children for the rest of their lives.

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DECL: N/A

INFRASTRUCTURE DEVELOPMENT

BACKGROUND:

Private industry can play a major role in infrastructure development. The United States supports the efforts of the Inter-American Development Bank to develop a set of voluntary principles to encourage direct participation of the private sector in infrastructure projects.

The telecommunication sector exemplifies the positive impact of privatization. Across the hemisphere, infusions of private capital have revitalized telephone systems once notorious for long delays and bad service. However, many nations remain cautious about ratifying the WTO Agreement on Basic Telecommunications Services (WTO/GBT), endorsing the Information Technology Agreements (ITA), or adopting private sector-led model of global electronic commerce. The Santiago action items reflect this caution: they offer important movement toward efficient regional telecommunications, but stop short of a comprehensive blueprint for further modernization.

The Western Hemisphere Transportation Initiative (WHTI) provides an opportunity for experts from across the hemisphere to cooperate in addressing the transportation challenges of the region. Recognizing the importance of safe, efficient, and environment-friendly transportation systems, the United States supports this initiative and its inclusion in the Summit agenda.

TALKING POINTS:

- The development and maintenance of crucial infrastructure elements can be greatly enhanced by private investment.
- We support the Inter-American Development Bank in its effort to establish voluntary principles for private sector participation in infrastructure development.
- The telecommunications action items reflect our desire for all citizens to enjoy the benefits of the Information Age.
- Achieving this goal requires early implementation of pro-competitive principles, such as those contained in the Agreement on Basic Telecommunications Services (WTO/GBT) and the Information Technology Agreement (ITA).
- We strongly support the inclusion of the Western Hemisphere Transportation Initiative (WHTI) and its action plan in the Summit of the Americas agenda.
- We commend the Government of Chile for providing leadership in the development of the WHTI action plan.

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CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT

Sustainable development encourages economic growth while taking into account its social and environmental impacts, keeping as many options as possible open for future generations. The 1996 Bolivia Summit on Sustainable Development Declaration underscored that "[D]evelopment strategies need to include sustainability as an essential requirement for the balanced, interdependent, and integral attainment of economic, social and environmental goals."

All aspects of development impact the emissions of greenhouse gases which affect climate change and the magnitude of national sinks such as forests and grasslands. The impacts of climate change are also likely to be felt in many sectors of national economies, and must be considered in development strategies. Today over 70 percent of atmospheric emissions come from developed countries (including countries with economies in transition). But energy use and power generation are expanding rapidly in developing countries, and by 2025 they will emit more total greenhouse gases than developed countries. While the Kyoto Protocol does not include binding emissions targets for developing countries, it will be critical that all countries participate if we are to solve this pressing global threat.

TALKING POINTS

- Climate change is a global problem which requires a global solution. The Kyoto Protocol is an important step in addressing this issue.
- Ultimately all countries will need to commit to limiting greenhouse gas emissions. The U.S. is dedicated to reducing its emissions and to working with all countries as they develop plans for limiting emissions while providing for continued and growing economic prosperity.
- Programs like the Clean Development Mechanism (CDM), a clearinghouse for greenhouse gas mitigation projects, can play an important role in getting countries started.
 - The CDM can provide strong incentives for companies to participate in projects, and the resulting technology transfer will likely prove invaluable to developing countries as they seek to continue on their sustainable development paths.

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DECL: N/A

USAID SUPPORT FOR THE SUMMIT

Over the coming three years, 1998 to 2000, USAID will provide approximately \$1 billion in grant funding for implementation of Summit initiatives. With \$120 million targeted for microenterprise development, the largest share of this total (\$375 million) will go towards addressing poverty issues. USAID support for strengthening democracy will total about \$350 million. Funding of education will amount to \$80 million and support for economic integration will be \$28 million.

The Santiago Summit focuses on a "second generation" of political and economic reforms essential to meet the development challenges facing the hemisphere. The transcendent nature of education and its critical importance to economic and political development is a main theme of the Summit.

TALKING POINTS

- Second generation political reforms seek to guarantee citizens full participation in the political life of their nations. USAID's programs supporting this goal emphasize: the establishment of independent judiciaries; extension of democracy to local governments with emphasis on improved capacity to assume new functions; and freedom of the press.
- Second generation economic reforms emphasize the need to remove barriers that deny the poor access to economic opportunity. USAID efforts include access of the poor to: credit; secure title to property; quality health care; and decent wages and working conditions.
- Education opportunities are vital to strengthening economies and creating more opportunities for the citizenry. In support of this effort USAID will provide funds to: strengthen the teaching profession; assure adequate investments in basic education; provide local communities with more control over schools; and establish and monitor standards for educational performance.
- To foster hemispheric free trade USAID will provide technical assistance to smaller economies to support their full participation in the FTAA. Efforts will focus on modernizing customs and promoting competition policy and food safety. (This total does not include over \$225 million that USAID will provide for environment, agriculture and child survival programs not specified in the Santiago Summit Plan of Action.)

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PROPERTY RIGHTS & REGISTRATION

Of all the assets available to the poor, property is by far the most important. For the majority of the urban and rural poor, ownership and productive use of this asset is significantly hindered by the lack of secure title. Properties that lack documentation of formal ownership command less market value, limit property user access to credit, and weaken the user's incentive to invest labor and capital in the land to ensure its most productive uses and raise its income-earning potential. Secure title to property is thus perhaps the single most important factor to ensure participation of the poor in the market economy and in the globalization of economies now taking place in the hemisphere. Property registration also can protect the rights of indigenous people and facilitate dispute resolution.

After it was decided by all the Hemispheric governments to include property registration in the Santiago Plan of Action, the U.S. took the lead to develop this issue. The Action Plan will (1) accelerate progress toward streamlined and decentralized systems that ensure access of the poor to property registrations; and (2) strengthen multilateral and bilateral financial and technical assistance programs to simplify property registration systems. USAID will assist in implementing the plan through a grant to the Institute of Liberty and Democracy (ILD) which will organize a hemispheric conference on property registration to share the experience of the United States in moving the informal sector into the formal economy through effective property registration systems.

TALKING POINTS

- An effective property registration system needs to be based on modernization, decentralization, and transparency.
- Building on the existing Summit consensus, USAID will provide leadership in formulating an implementation plan to advance the Summit property registration action item.
- A hemispheric property registration conference will provide opportunity to share the U.S. experience on moving the informal economy into the formal economy through effective property registration systems, and a venue to develop and refine the action plan for implementing this action item.
- This item's implementation can be accelerated by strengthening multilateral and bilateral financial/technical assistance programs aimed at developing property registration systems to ensure access of the poor to those systems.

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DECL: N/A

HUMAN RIGHTS OF MIGRANT WORKERS AND THEIR FAMILIES

The purpose of the action items on migrant workers is to enhance respect for basic human rights and fundamental freedoms of all migrants and their families. The U.S. already carries out these actions, and remains the most sought-after destination in the hemisphere. However, for some of the other countries, meeting these commitments will represent a considerable challenge. Migration problems affecting Haiti and the Dominican Republic; Paraguay, Uruguay and Argentina; Mexico, Guatemala and Belize; among others, could cause last-minute attempts to dismiss the importance of the action items on migrant workers, or to weaken them (e.g., by eliminating the specific commitments in the final paragraph). A representative Working Group of eleven countries negotiated over a period of several months. It would be best to adopt the document intact, since a re-drafting exercise could easily lead to a failure to reach consensus.

TALKING POINTS:

- Millions of people move across the borders of the hemisphere each year. Increasing flows of migrant workers will almost certainly be a reality of the 21st Century. The action items will help us manage the migration flow in a humane and reasonable way, and foster a constructive dialogue.
- Above all, we must safeguard the basic human rights of all migrants and their families (whether documented or undocumented; working or in transit), and give them the protection of law and due process made available in each country's respective legal framework.
- We should adopt the action items on migrant workers as written, and carry it out with determination.

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DECL: N/A

STRENGTHENING MUNICIPAL AND REGIONAL GOVERNMENT

Many of the hemisphere's nations are engaged in a major effort to decentralize government. In this initiative--on which USAID has played a lead role--the hemisphere is committed to creating more responsive and effective subnational government.

Since 1980, the number of Latin America countries that directly elect mayors has increased fivefold (from 3 to 15), and subnational governments have taken on new administrative roles.

USAID plans to devote \$25 million annually to support local government initiatives in Latin America and the Caribbean. Existing programs focus on increasing citizen participation in local decision-making, improving response and revenue-generating capacity, and encouraging reforms.

This Summit initiative commits governments to further strengthen mechanisms for public participation in subnational government decision-making (such as open public hearings and budget reviews) and to promote greater transparency in subnational government finances.

Governments agree to provide financing options to improve the delivery of public services and training opportunities to bolster subnational administrative capacity. National governments are committed to consider the devolution of governmental functions to subnational levels.

To facilitate implementation of this initiative, governments are committed to share their experiences from current and future programs supported by bilateral and multilateral cooperation institutions, including the Organization of American States, the Inter-American Development Bank, and the World Bank.

TALKING POINTS

- Public participation, financial transparency, and greater subnational government responsibility and resources are the ingredients for building effective and more accountable subnational government.
- USAID is establishing a donor consultative group on local government. We anticipate that the IDB, World Bank, OAS, and other bilateral donors will cooperate in this effort.

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REFORM OF THE INTER-AMERICAN SYSTEM

There is a widespread view in the region that the major Inter-American institutions are not serving the needs of the Hemisphere's countries as well as they should and that they need to be reformed to become more relevant to the challenges of the 21st century. The OAS, the region's leading political and socio-economic forum, was dysfunctional in the 1970's and 1980's. In the 1990's, the OAS gained more vitality and relevance, as Charter amendments (the Washington and Managua Protocols) focused its attention on promoting democracy and cooperating to alleviate extreme poverty. In addition, the Miami Summit and the Bolivia Summit on Sustainable Development both gave the OAS new tasks, which it has carried out reasonably well. Finally, the OAS began playing a more active role than before in activities that range from observing elections to serving as the forum for negotiating agreements such as the Inter-American Convention Against Corruption and the Inter-American Convention Against the Illicit Traffic in Firearms.

Nevertheless, the OAS has continued to suffer from the legacy of its dysfunctionality. Largely because of lingering doubts about its ability to deliver, a new mechanism, the Summit Implementation Review Group, was created to oversee implementation of Miami Summit commitments and to negotiate subsequent Summits. Operating on the basis of consensus and free of the shackles of irrelevant procedures the SIRG has proved to be an effective, efficient mechanism. By contrast, the OAS has demonstrated a tendency to get bogged down in proceduralism and some governments have used it as a venue for concerted criticism of the U.S., mobilizing lop-sided votes against U.S. policies. Its procedures, along with those of other hemispheric institutions such as the Inter-American Development Bank, the Pan American Health Organization and the UN's Economic Council for Latin America and Caribbean need to be reviewed to ensure their responsiveness to new challenges and governmental requests.

The Santiago Declaration will probably refer to the need for the review/reform effort, pointing to the next Summit as the forum for the reforms to be considered and/or implemented.

TALKING POINTS

- All institutions must adapt to changed environments and needs in order to remain relevant. And certainly as we enter a new century, it is an appropriate time to conduct a thorough review of hemispheric institutions.
- Institutional change, however, must take place carefully with the widest agreement possible among participants.
- The United States welcomes discussion about how to enhance the utility of the Inter-American institutions to make them responsive to the needs of our people.

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FREE TRADE AREA OF THE AMERICAS (FTAA) AND FAST TRACK

Since the Miami Summit, FTAA participants have advanced the FTAA process from the preparatory to the upcoming negotiating phase. Given the expanding number of existing trade agreements in our hemisphere, the FTAA should serve to unify the Americas and ensure U.S. access to these fast-growing markets.

Trade Ministers in San Jose last month concluded preparations for launching FTAA negotiations in Santiago. Miami will host negotiations for the next three years, followed by Panama and Mexico City. Canada will chair the FTAA process until October 1999 when Argentina assumes the chair. Ecuador replaces Argentina in 2001, and the United States and Brazil will co-chair the process in 2002 until the end.

The Ministers agreed on the principles and objectives that will guide the process; set up the initial nine negotiating groups; and assigned countries to serve as the chairs and vice chairs of the different negotiating groups. The United States will chair the government procurement group.

Since the Miami mandate called for "concrete progress by the turn of the century," we are pushing for meaningful interim agreements such as an agreement on global electronic commerce. Ministers established an expert committee on electronic commerce that CARICOM will chair. We are also seeking the adoption of business facilitation measures.

Despite opposition to our proposal to establish labor and environment study groups, consensus emerged at San Jose to create a civil society committee that will expand the participation of environmental, labor, and academic groups in the FTAA process. Ministers also set up a consultative group to address concerns of the small economies.

Our failure to secure fast track weakened our leadership in the FTAA but did not prevent consensus on initiating the negotiations. Discussions early this year about a possible sectoral fast track approach raised suspicions of a few nations that we intended to "cherry pick" trade concessions in attractive sectors only; but, we made clear the FTAA will be a single undertaking.

TALKING POINTS

- We are excited about joining our hemispheric partners in launching the FTAA negotiations. This is an historic moment for the Americas, one that will benefit us all.

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- To achieve meaningful and concrete progress by 2000, we must ensure constructive measures are adopted. It is important that we support our ministers undertaking this initiative.

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DECL: N/A

ECONOMIC AND FINANCIAL OVERVIEW

Last year the Latin American and Caribbean region experienced one of its best economic performances in a generation, combining an average growth rate of more than 5 percent, with an average rate of inflation of under 11 percent (the lowest in 50 years). The continued confidence of investors in the region was demonstrated by continued high inflows of foreign capital (\$90 billion), of which two-thirds were in the form of long-term direct investment.

The Asian financial crisis is dampening growth this year and possibly next. Lower demand from Asia, slower growth in Brazil and falling world prices for key commodities like oil and copper continue to slow trade and investment flows. The region remains vulnerable to an external shock, but leaders -- particularly in Brazil -- have taken politically difficult measures to maintain macro-economic stability and avoid a major crisis. Markets have responded to their actions, with stock and bond markets beginning to recover from sharp declines in late 1997. The region's most important stock indexes (Argentina, Brazil and Mexico) have already returned to levels not reached before last year.

This good performance reflects a decade of serious economic reform to stimulate investment and growth. The commitment to market-based reform was tested by -- and withstood -- both the regional turmoil coming out of Mexico's 1995 crisis and the current Asian financial crisis. The reforms are bearing fruit. In contrast to the 1980's (when GDP per capita actually fell by about 1 percent per year), during the 1990's the region's per capita GDP has been growing by about 2 percent per year. With continued reform, rising income levels should continue through the next half-decade.

The biggest challenges now facing Latin America and the Caribbean are "second generation" reforms -- institutional restructuring, (such as improving government bureaucracy, modernizing savings/investment institutions, reforming judicial systems and labor regulations) and reducing poverty.

Although the reforms of the 1990's have succeeded in halting the drift toward greater poverty and inequality experienced during the 1980's, poverty is still widespread. Roughly one-third of Latin America's population live below the poverty line. Continued growth to provide productive jobs is critical to making an impact on this problem. Over the longer term, the key is providing quality education which is easily available and relevant to all groups of society, especially the urban poor and isolated indigenous groups.

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DECL: N/A

ECONOMIC INTEGRATION AND FREE TRADE -- OVERVIEW

The launch of Free Trade Area of the Americas (FTAA) negotiations to open markets and remove barriers to hemispheric trade is broadly recognized as the economic centerpiece of the Santiago Summit. However, a variety of additional Summit initiatives will also have a significant long term impact on regional economic development. These complementary economic initiatives address the broader integration of hemispheric financial, physical, and technology infrastructure.

Beyond the FTAA, specific economic initiatives to be considered in Santiago include the liberalization of hemispheric financial markets to encourage efficient allocation of scarce investment capital; cooperation in energy infrastructure development to promote the cleanest forms of energy sector development, to enhance the efficiency of energy usage, and to share ideas on climate change strategies; science and technology cooperation initiatives to encourage countries to benefit in practical ways from the global knowledge available through the communications and information industries; and infrastructure development measures to encourage private industry and the Inter-American Development Bank to play a greater role in the development of crucial transportation and telecommunications sectors. These complementary economic initiatives are designed to harmonize the region's broad economic development priorities and so enhance inter-American cooperation.

TALKING POINT

- Taken together, this basket of hemispheric free trade and infrastructure development initiatives is an ambitious package that will play an important role in the economic development and integration of our hemisphere.
- We must ensure that our cooperative efforts in these areas improve the well-being of all our peoples.

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DECL: N/A

CAPITAL MARKETS AND FLOWS

Foreign investment has become indispensable to economic growth in Latin America. It was a key factor last year as the region recorded its best economic performance in decades. Growth averaged more than 5 percent and inflation continued to decline, as new-found macroeconomic stability and continued privatization and reforms helped attract an estimated \$90 billion in foreign investments to Latin America. This was a slight drop from the \$92 billion of inflows registered in 1996, but a fraction of the chill the Asia crisis sent across international financial markets: net private capital flows to all emerging markets fell to an estimated \$200 billion from a peak of \$295 billion in 1996.

Latin American countries will continue to rely on foreign capital as the region continues its economic restructuring, with the overall current account deficit forecast to rise to \$72 billion this year from \$57 billion in 1997. Gross external borrowing requirements are estimated at \$89 billion for Brazil, \$51 billion for Mexico and \$32 billion for Argentina, according to one Wall Street firm. Most will be met by rollovers of maturing obligations, with private inflows covering the remainder.

Foreign capital has become more expensive in the wake of the Asia crisis, but lenders appear to be differentiating Latin America from Asia. While larger spreads and shorter maturities have increased borrowing costs, successful bond issues by Argentina, Colombia, Brazil and Mexico have demonstrated continued interest in the region from international capital markets. Government and public-sector borrowers have dominated the market for Latin debt so far this year, with 84 percent of new issues, but private sector corporations have begun to return to the market as well.

For now, tighter domestic and international capital markets have contributed to a general economic slowdown in Latin America. International interest costs are falling, however, making a return to growth probable in the second half of the year if the trend continues.

TALKING POINTS

- We are impressed by Latin leaders' decisive response to adverse financial conditions brought on by the Asia crisis.
- Implementing market-based reforms is the best means to reinforce investor confidence and distinguish the region's economies from troubled markets.

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U.S. TRADE AND INVESTMENT RELATIONS WITH LATIN AMERICA

U.S. trade with Latin America is burgeoning. In 1997 our merchandise exports to the region reached \$134.5 billion, 20% of our global exports. U.S. exports to Latin America continue to grow more than twice as fast as our exports to the rest of the world. In 1998 we expect U.S. exports to Latin America to exceed our exports to the European Union. Altogether the U.S. supplies an estimated 40% of Latin America's imports.

NAFTA partner Mexico -- which surpassed Japan as our second largest export market in 1997 -- continues to dominate U.S. trade flows with Latin America, absorbing over 50% of our regional exports. MERCOSUR (Brazil, Argentina, Paraguay and Uruguay) along with associate member Chile absorbed 20% of U.S. exports to the region and is a fast-growing market, as is the Andean Community (Venezuela, Colombia, Peru, Ecuador and Bolivia) which absorbed an additional 12%. Central America and the Caribbean are small but booming markets for U.S. products.

Trade within and among Latin American regional free trade areas (MERCOSUR, the Andean Community, the Central American Common Market and CARICOM) is expanding rapidly. More than 30 free trade accords have been signed in the region since 1990. We support such agreements so long as they meet WTO standards and do not create new barriers to non-participants.

The growth in intra-regional trade has deepened regional cooperation and economic integration, and has helped to cement democratic institutions and lock-in economic structural reforms. An FTAA will further enhance economic integration through the region-wide adoption of consistent, state-of-the-art trade and investment disciplines.

We continue to encourage more open investment regimes in the region. The U.S. currently has over \$150 billion in direct investment in Latin American and Caribbean countries and we invested over \$24 billion in 1997 alone. Our Bilateral Investment Treaty (BIT) program is providing greater protection for U.S. investors in Argentina, Ecuador, Jamaica, Panama, Grenada, and Trinidad & Tobago. We have signed new BITS with Honduras, Haiti and Nicaragua and are actively negotiating agreements with Bolivia and Venezuela.

TALKING POINTS

- Hemispheric trade is burgeoning and is building a foundation for broad-based economic development throughout the region.
- Eliminating barriers to trade and investment by negotiating a hemispheric FTAA will expand prosperity throughout the Americas.

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DECL: N/A

USAID ECONOMIC ASSISTANCE IN THE HEMISPHERE

	FY 1997	FY 1998	FY 1999
<i>(all values in millions US \$)</i>	Actual	Estimate	Request
Total	527.5	554.8	657.4
Development Assistance	190.1	212.5	225.2
Child Survival and Disease	83.7	81.1	72.3
Economic Support Funds	95.4	116.0	188.0
Int'l Narcotics Control	42.5	19.0	51.0
P.L. 480 Title II	104.4	116.3	110.9
P.L. 480 Title III	11.4	10.0	10.0

The USAID program builds on the Summit to consolidate peace and reconciliation, democracy, as well as to open markets and alleviate poverty. USAID programs are designed to promote sustainable economic prosperity and trade, reduce poverty, and promote regional political stability.

USAID operates sixteen country programs, a regional program, and a program for Central America and Panama. Full sustainable development programs (Haiti, El Salvador, Nicaragua, Bolivia, Peru, Guatemala, Honduras, and Jamaica) pursue strategic objectives in economic growth, environment, democracy, population and health and human capacity development. The eight limited programs (Dominican Republic, Ecuador, Guyana, Panama, Paraguay, Brazil, Mexico and Colombia), focus on a more limited set of objectives. A very modest program supports information dissemination in Cuba to support civil society and a peaceful transition to democracy.

TALKING POINTS

- The Santiago Summit focuses on a "second generation" of reforms key to effective responses to the development challenges facing the hemisphere. These efforts closely parallel the emphases of USAID's program initiatives throughout the region.

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DECL: N/A

"PEOPLES' SUMMIT"

The AFL-CIO, other labor movements and NGOs will hold a "Summit of the Peoples of the Americas" in Santiago April 15-18, to parallel the Summit of the Americas (SOA) and ask hemisphere leaders to take labor, social and environmental concerns into account in FTAA negotiations.

The "Peoples' Summit" will gather unions and NGOs to voice working peoples' concerns to the media and SOA leaders and counter the FTAA launching. The organizers fear FTAA will entail 1) "the NAFTA model" of "misery and unemployment," 2) "social exclusion," not "sustainable development," and 3) "neoliberal logic of 'free trade'...a regional race for the bottom and a threat to social rights." They seek a "social counterweight...Just as governments and business elites reach their agreements at a hemispheric level...an agreement among the most diverse social forces in the Americas on a common agenda...the first step in beginning to change the balance of power and...offer alternatives."

The organizers are Chile's Unified Labor Central (CUT, its largest, most representative labor organization), the Chilean Network for the Americas' Peoples' Initiative (RECHIP) and the Interamerican Regional Organization of Workers (ORIT). The AFL-CIO is ORIT's largest affiliate. CUT and RECHIP told our embassy they want media and SOA leaders' attention, not a disturbance, and will avoid provocation or confrontation.

The "Peoples Summit" is a sequel to ORIT's May 1997 gathering in Belo Horizonte to parallel the FTAA "Business Forum" and present rather contentious views to Trade Ministers, and a smaller event this March in San Jose. The "Peoples Summit" hopes to draw 200-300 people to sectoral or thematic fora on social and economic alternatives, agrarian-campesino, environment, human rights, ethics, indigenous and women's issues, a trade union summit and a central event to analyze fora results, trade and integration. Our efforts in San Jose at the March FTAA Trade Ministers meeting addressed some of labor's concerns through the creation of an FTAA civic committee.

TALKING POINTS (if asked)

- We welcome and will take into account the views of this "Peoples' Summit," as we do those of US labor, environmental, human rights and other civil society NGOs.
- We will continue to work to ensure that hemispheric trade expansion and integration benefit working people and protect their rights.

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- We welcome the creation of a civic committee that involves labor, environmental and academic groups in the FTAA process itself.
- We continue to urge acceptance of an FTAA Labor Forum like the existing Business Forum. Both can contribute positively.

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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]

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CORRUPTION

This initiative centers on the Inter-American Convention Against Corruption -- the first such anti-corruption treaty instrument in the world -- and provisions designed to exchange experiences and increase awareness in the area of electoral campaign financing.

The initiative emphasizes the importance of ratifying the Inter-American Convention Against Corruption, which entered into force in March 1997. The U.S. signed the Convention in 1996. After resolving a number of legal issues, the Department of State forwarded the transmittal package to you in March 1998.

Governments also commit to the "Inter-American Program to Combat Corruption" developed at the OAS, two of whose elements are of particular importance: the drafting of codes of conduct for public officials, and the promotion of domestic legislation requiring senior public officials to disclose their personal assets and liabilities. Both developments, if achieved, would increase transparency and strengthen accountability.

On the electoral campaign finance side, this initiative will consider measures to limit financial contributions derived from organized crime and illicit drug trafficking. In this regard, it will consider a series of recommendations of a conference of experts held in Caracas, Venezuela in February 1998. Representatives of the U.S. Federal Election Commission participated in the conference.

TALKING POINTS

- Fighting corruption is essential if we are to consolidate democratic gains and promote sustainable economic growth in the Americas.
- Developing codes of conduct for public officials and legislation requiring senior public officials to disclose their assets encourages transparency and accountability.

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DECL: N/A

DEMOCRACY AND HUMAN RIGHTS - OVERVIEW

The Democracy and Human Rights "basket" of issues strengthens democratic institutions, fosters democratic values, and addresses the threats that undermine stability within and among our nations. The issues in this section are traditionally the most sensitive in Latin America. Five of the 11 items in this basket were taken up in the Miami Summit, and build on progress made since then. The remaining items - education for democracy, local government, migrant workers, judicial systems, and enhanced labor ministries - represent a promising expansion of the hemispheric agenda.

Institutional reform is a priority issue for the region. While all but one of the countries of the Americas enjoy democratic rule and regular elections, the development of a democratic culture and values remains a challenge. This basket seeks to address these "second generation reforms," through action in: extending democratic reform to the state and local level; bolstering the rule of law through transparent governance and independent and efficient judiciaries; and strengthening labor ministries to enable them to provide quality services to workers. Democratic values are further reinforced by governments undertaking to foster the development and protection of civil society groups.

While the Plan of Action addresses the roots of democracy, it also takes up the phenomena that undermine peaceful, democratic societies. Governments will take coordinated action in the areas of corruption, terrorism, and illegal drugs, the latter of which breaks new ground with the proposal for a new multilateral evaluation process. The Plan of Action also takes unprecedented actions in the area of security and the promotion of mutual confidence among nations.

Human rights issues are advanced via programs to improve police training and remedy inhumane prison conditions. The rights of migrant workers and vulnerable groups and the legal equality of women are also addressed. An essential element to guaranteeing human rights, and a notable addition to the Summit agenda, is support for freedom of the press, reflected in the creation of a new free press and expression rapporteur within the OAS Inter-American Commission on Human Rights.

You have been asked to make an intervention introducing this basket during the first working session.

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DECL: N/A

ENERGY COOPERATION

"Hemispheric Energy Cooperation" encompasses follow through on two Miami action items, "Energy Cooperation" and "Partnership for Sustainable Energy Use." The U.S. and Venezuelan governments are the responsible coordinators. Premises of the initiative are to encourage the cleanest forms of energy sector development, such as renewable energies and natural gas, to enhance efficiency of energy use, and to recognize the catalytic role that all forms of energy development, including the oil sector, play in fostering economic development and integration. The Santiago Summit will renew these efforts through a "Regional Energy Cooperation" initiative that also opens a new forum to exchange views on climate change.

To focus the initiative, a 1995 energy ministerial meeting in Washington created seven working groups which have met over the last three years to exchange information, showcase best regulatory practices, and spur integration of the region's energy sector. Working groups include: Investment; Electric Power; Regulatory Cooperation; Petroleum Sector; Natural Gas; Energy Efficiency; Rural Electrification and, to commence this year, a working group on Climate Change.

Since Miami, energy reform has swept the region. Electric utilities have been widely privatized and domestic energy prices liberalized. Venezuela has allowed direct foreign investment in its oil sector, Mexico has allowed foreign investment in natural gas transmission and distribution (but not constitutionally exempted oil and gas production). Argentina and Bolivia are exporting gas to their neighbors and Brazil is dismantling its state energy monopoly. In the Caribbean, Trinidad is developing the region's first liquified natural gas export project.

Energy ministers met again in 1996 in Bolivia and at a meeting co-chaired by Secretary Peña this January in Caracas. Ministers pledged to work towards energy integration and better regulatory and investment frameworks. The Santiago Summit's "Regional Energy Cooperation" initiative also calls for cooperation and dialogue on climate change. Our goal is to share ideas on climate change strategies within our hemisphere before the November UN Conference of the Parties Climate Change Negotiations in Buenos Aires. We are careful to cast this discussion as information sharing, not a substitute for the UN negotiation process.

TALKING POINTS

- We applaud the reform, privatization, opening to investment and regional integration which have become the norm in the hemisphere's energy sector since we last met in Miami. I understand that the Southern Cone is linking its gas networks, Venezuela is open to new energy investments, Trinidad is developing gas export projects, and Mexico has liberalized

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aspects of its gas sector. We look forward to continued cooperation on this vital issue.

- Energy ministers will continue their work on energy cooperation. Our Summit also affords us an historic opportunity to exchange views on climate change and to deepen hemispheric dialogue on this pressing issue.

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DECL: N/A

STRENGTHENING CIVIL SOCIETY

Historically, civil society, with few exceptions, has not been an important actor in Latin American democracies. Civil society includes representatives from non-governmental organizations (NGOs), universities, grassroots/local community organizations and individuals operating in an environment which allows full expression of civil rights and basic freedoms. As the Hemisphere has become more democratic there is a general recognition in the region that participative democracy requires not just transparency and strong institutions but, equally important, support for these from civil society.

Jamaica and Uruguay have been entrusted with developing this initiative as a supporting mechanism to the Summit's plan of action to strengthen existing initiatives to increase civil society participation in public issues, including sustainable development. A basic approach is for governments, at the national level, to adopt legal and institutional frameworks based on these principles which stimulate the formation and provide for the protection of civil society organizations.

The Organization of American States (OAS) will be used as a venue for sharing experiences and information and the Inter-American Development Bank will help governments develop financial mechanisms to support the implementation of national programs.

TALKING POINTS

- The United States recognizes the value of citizen input into the democratic process beyond periodic elections. We support a strong initiative on civil society.
- We need to develop recommendations and principles to facilitate the operation and protection of citizens groups.
- These are simple ideas which, if implemented, will strengthen our democracies and benefit all the citizens of our Americas.

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PROTECTION OF INDIGENOUS PEOPLE

This initiative emphasizes the critical importance of education to the full participation of indigenous communities in society, and promotes their active involvement in the development of education and training projects.

The initiative seeks to strengthen indigenous populations and promote harmonious relationships among all social groups. It recognizes the special need to widen basic and secondary education, as well as provide technical training. A principal focus is the effort to ensure that indigenous groups, including indigenous women, are included at an early stage in decisions about capacity building and income earnings which affect them, particularly in agriculture, handicrafts, small trade, and marketing.

On a broader level, the initiative encourages national and hemispheric round tables to consider such vital social issues as education and health care, and commits governments to continue examining the possibility of an OAS declaration on the rights of indigenous communities.

TALKING POINTS

- We firmly believe that indigenous communities must be active in the development and operation of all projects designed to ensure the fullest participation of indigenous people at all levels of society.
- We want to emphasize the critical importance of education.
- As we strive to meet our goals, we want to ensure that all members of indigenous communities, regardless of gender, have access to educational opportunities.

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DECL: N/A

DEMOCRACY AND HUMAN RIGHTS

This initiative commits governments to take specific actions to strengthen democratic practice and human rights, in particular the human rights of women and children. It also commits governments to enhance the capacity of the Organization of American States to coordinate more closely with national and regional human rights entities, and strengthens press freedom.

On the multilateral side, the initiative's most important commitment is to the new Special Rapporteur on Freedom of Expression, to be located in the Inter-American Commission on Human Rights of the OAS. This is a direct response to your call in Argentina in October 1997 for the OAS to strengthen its role in this area. The Commission will shortly select a full-time professional as Rapporteur and has defined a broad mandate: preparing annual and thematic reports on the state of freedom of expression in the Americas and serving an "early warning" function by bringing to the Commission's attention matters involving threats to freedom of expression. Governments also commit to strengthen the Inter-American Human Rights Institute, based in Costa Rica, which both Secretary Albright and the First Lady visited last year. The U.S. helped establish the Institute in 1980.

The initiative emphasizes the human rights of women and children. Achieving formal legal equality between women and men by 2002 is one of its most important goals, as are measures to combat the physical and sexual abuse and exploitation of children. In addition, governments commit to releasing prisoners who have been incarcerated without trial if they have been held in jail for longer than they would have served if they had been found guilty. There is a commitment in this basket of action items to develop democracy and human rights policies with the participation of civil society.

TALKING POINTS

- We welcome warmly the decision of the Inter-American Commission on Human Rights to establish a Special Rapporteur on Freedom of Expression, and we will support strongly the Rapporteur's vital work.
- We welcome the commitment to due process for prisoners. It is a major step forward for human rights.

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LABOR RIGHTS

The Miami Summit of the Americas Declaration and Plan of Action were not satisfactory with regard to basic worker rights. We have been trying to adequately respond to those concerns in the Santiago Summit Declaration and Plan of Action by moving simultaneously on two tracks:

1)Non-Trade: Seeking to insert into the Poverty Alleviation section of the Santiago Ministerial Declaration and Plan of Action a process to address core labor standards through the work of Labor Ministers; and

2)Trade: Proposing in the Free Trade section of the Ministerial Declaration and Plan of Action the creation of a Study Group on labor issues within the negotiating structure of the Free Trade Area of the Americas (FTAA).

Mexico has taken the lead in opposing these initiatives. We have worked closely with other countries in the hemisphere to develop language on a process to address core labor standards through the Ministries of Labor in the "non-trade section" on which we could reach consensus. Mexico is largely isolated in opposing our proposals in this area -- although Costa Rica and El Salvador continue to have some reservations.

At the March meeting of Trade Ministers in San Jose, agreement was reached on the creation of a committee of government representatives to receive inputs from representatives of business, environmental labor, and academic groups. While this agreement falls short of the Study Group we sought, it does provide for a process to begin to involve the labor community in the FTAA negotiating process.

Adoption of our proposal in the "non-trade section" of the Summit documents will provide a complementary process to the one established by Trade Ministers. This second process, within the purview of Ministers of Labor, would strengthen the foundation to continue to work on the labor issue within the Hemispheric integration process.

TALKING POINTS

- It is important that our workers feel that they can benefit from hemispheric integration--including through our mutual commitment to core labor standards.
- Issues of interest to labor were not sufficiently dealt with by the Miami Summit Declaration and Plan of Action.
- We need to redress this problem in the Santiago Summit and Plan of Action, making sure that processes are established that adequately demonstrate our concern about core labor standards as we proceed with the hemispheric integration process.

UNCLASSIFIED

UNCLASSIFIED

MODERNIZATION OF THE STATE AND LABOR MINISTRY REFORM

For hemispheric economic integration to be successful, its benefits need to be distributed to the greatest possible number of workers in the region. Ministries of Labor can contribute to the success of the economic integration process through policies that promote productive employment, especially training and investment in human resources; labor market information that assists workers and employers in matching job openings and job seekers; safe and healthy workplaces; constructive labor-management relations; and fostering the rule of law through enforcement of domestic labor law.

In particular, attention should be directed to: 1) strengthening Ministries so that they can better pursue policies that allow their workforces to benefit from the opportunities of hemispheric integration; 2) making the work of the Ministries more responsive to the needs of workers and employers; 3) and improving the quality of services they provide to the population, particularly those that have special needs for services, such as youth, women, and the disabled.

Perhaps the greatest impediments to the modernization of Ministries of Labor are the lack of status and resources within their own governments. Financial and technical assistance from the IDB and the ILO could contribute to the modernization efforts.

In the Declaration of Buenos Aires and Plan of Action of the Tenth Interamerican Conference of Ministers of Labor, held under the auspices of the OAS in October 1995, Ministers of Labor already identified modernization of labor ministries as a priority. In November 1997, Secretary Herman met with Ministers of Labor from Central America, Panama, Belize and the Dominican Republic to discuss modernization of their ministries (with financial support from AID). The IDB has also committed some funds to modernization of these ministries.

TALKING POINTS

- Ministries of Labor can contribute to the hemispheric integration process by providing high-quality services to workers and employers that facilitate the operation of labor markets and allow the broadest number of workers to be in a position to benefit from the opportunities of hemispheric integration.
- By improving the services and training they provide, Ministries of Labor can also increase support for the FTAA process because workers in more countries will be in a position to benefit and concerns about potential dislocations from expanded trade can be responded to more effectively.
- Financial and technical assistance from the IDB and the ILO, working through the OAS coordination process, should facilitate modernization efforts of Ministries of Labor.

UNCLASSIFIED

EDUCATION - OVERVIEW

Education enjoys pride of place as the first initiative in the Santiago Plan of Action. The Summit nation leaders want to highlight their commitment to educational reform, recognizing that education is the key to future prosperity and democratic stability. Only wealthier people in most of the Hemisphere can afford to give their children good primary and secondary education, which is usually private. Consensus has emerged that access for all to high-quality education is necessary will Latin America and the Caribbean to join the developed world. Reform is underway and a strong, eloquent, public commitment by the Summit leaders will underscore and sustain this new commitment.

The Education Initiative developed under Mexico's leadership is built on four essential principles: equity, quality, relevance, and efficiency. Under this Initiative, governments will improve educational opportunity for all by domestic action and multilateral cooperation, by: targeting resources on the disadvantaged; establishing systems to evaluate educational quality; upgrading the skills of teachers and school managers; strengthening preparation for the world of work; developing democratic and good environmental values; promoting access to information and communication technologies; and increasing educational exchange. The IDB, World Bank, and OAS have will have to assist in meeting these commitments.

TALKING POINTS

- The remarkable advance of democratic and economic reforms in the Americas makes it imperative that we have a well educated, technologically literate, informed citizenry.
- Better education will mean greater prosperity and richer, more fulfilling lives for all our citizens. Education is a fundamental building block for the 21st century.
- National governments must assure sound policies and adequate resources for education. But, we can also work *together* to implement this initiative. The U.S. looks forward to this kind of cooperation. At the next Summit, we must show concrete results with better quality education for all of our citizens.

UNCLASSIFIED

DECL: N/A

SCIENCE AND TECHNOLOGY

These initiatives reflect the agenda set at a 1996 meeting of Science Ministers in Cartagena which focused on developing a plan of action for harnessing the benefits of science and technology for economic development. The key objectives are strengthening the capacity of Summit countries to benefit from a knowledge-based global economy, enhanced cooperation in addressing the effects of El Niño and natural hazards, and advancing cooperation between industry, academia and governments.

Information and communication infrastructures are key strategic components of national and regional integration and will support many aspects of economic development.

Science and technology advances will enhance prediction of climate changes such as El Niño. Cooperation through joint research and training is essential to respond to climate variability and natural disasters.

Cooperation among the academic and industrial sectors is critical for advancing innovation, applying the benefits of research and development of skilled human resources, and integrating small and medium sized enterprises.

TALKING POINTS

- By encouraging the growth of our communication and information industries, we can bring enormous amounts of knowledge to bear to solve problems. The development of a seamless, global "network of networks," which provides high speed communications links to cities and villages, will foster economic growth, knowledge sharing and dissemination, and improve the quality of life for everyone.
- We all will benefit from working together on the challenges posed by natural hazards such as El Niño. The scientific research can be translated into tools that allow us to improve our understanding of climate variability and apply that knowledge to better manage agricultural planning, fisheries, water supplies and other resources.
- Fostering a culture of innovation in our schools, our governments, and our industries is key to our long-term success.
- We must work to implement the Plan of Action developed in Cartagena, through the regional institutions that can play such an important role in hemispheric cooperation in science and technology.

UNCLASSIFIED

UNCLASSIFIED

ELECTRONIC COMMERCE

Electronic commerce (E-Commerce) improves productivity, revolutionizes retailing, and stimulates trade. It also gives small and medium-sized enterprises a chance to compete globally with large corporations. In the social and educational arenas, it provides a relatively inexpensive platform for telemedicine and distance learning. Still, many businesses, educators, and ordinary users are wary because the Internet lacks a predictable legal environment. Some fear that governments will impose customs duties and new taxes, require licensing of authentication and privacy systems, restrict the type of information carried, and try to control standards development.

In response to such concerns, the USG issued "A Framework for Global Electronic Commerce." The report calls for global consensus on such key issues as tariffs, taxes, privacy, content, intellectual property, electronic payments, and electronic authentication. It also outlines the USG view that in order for global E-Commerce and other Internet applications to flourish, the private sector should lead. The USG believes in minimal legislation, regulation, and taxation. The Internet should be a seamless, decentralized, global marketplace driven by competition and consumer choice. Where government must be involved, it should be to support and enforce a predictable, minimalist, consistent, and simple legal environment.

Response to the U.S. initiative has been positive. On Dec. 5 the U.S. and the European Union issued a joint statement that captures USG principles of private sector leadership and lays out an agenda for cooperation on specific issues. The U.S. is negotiating a joint statement with Japan and may pursue similar agreements with other countries. The World Trade Organization (WTO) also is considering a U.S. proposal that there be no customs duties on electronic transmissions. The Organization for Economic and Cooperation and Development, the Asia Pacific Economic Community, and the UN Commission on International Trade Law, also are addressing E-Commerce issues.

The European Commission proposed recently, that countries work toward adopting a global Internet Charter in 1999. The Commission says such a Charter would not be legally binding or create an international supervisory authority. It would be a framework to coordinate activities and explore key issues. The Commission intends to host a private sector roundtable on the matter in late 1998 and to call for a ministerial meeting in early 1999. The USG does not yet have a position on the proposal, although we have concerns that it may not be sufficiently industry led. Ira Magaziner is coordinating USG review of the proposal and to determine whether the Charter will attract support from other governments and from industry.

UNCLASSIFIED

Electronic Commerce in the Western Hemisphere

Business over the Internet and private networks is booming in the region. Still, reactions to the U.S. Framework for Global Electronic Commerce vary widely. Officials seeking to develop telemedicine and distance learning tend to embrace the U.S. E-Commerce principles. However, officials responsible for trade policy are more skeptical. The latter group has successfully reined-in more enthusiastic colleagues; following Brazil's lead, trade officials in Argentina, Chile and Mexico have declined bilaterally to endorse U.S. E-Commerce principles. To some extent this reflects a desire more fully to understand the implications of the new technology. This opposition may weaken as USG experts more fully explain our positions, and as our WTO initiative on duty-free cyberspace gains momentum. However, the Latins also view adoption of the U.S. model for electronic commerce as a potential bargaining chip in the FTAA negotiation. Accordingly, they have been unwilling in the lead-up to the Santiago SOA to embrace duty-free cyberspace. Adopting a less ambitious approach, trade ministers meeting in San Jose March 20 accepted a CARICOM offer to lead a study by government and private sector experts of electronic commerce issues.

The rapid growth of the Internet has been a great technical achievement but technology alone won't guarantee the wide use of E-Commerce and its benefits to the U.S. economy. The right for our firms to compete in foreign telecommunications markets, won at the WTO and through U.S. market leadership, along with the increasing number of Internet-based enterprises, provides the economic basis for U.S. investment in E-commerce. The next hurdle will be to keep foreign markets open to the full range of American virtual goods and services.

TALKING POINTS

- The USG considers electronic commerce to be an important engine for growth in the world economy of the 21st century.
- Just as we have seen the benefits that competition in telecommunications can bring to our citizens, we need to ensure that those same benefits, the choices and the opportunities, are there in electronic commerce. Without competition, we offer business and consumers a stagnant and unresponsive market and thus rob them of their full potential.
- The Internet also offers new opportunities for social development. Telemedicine and distance learning applications delivered over the Internet already are improving health care and educational opportunities around the globe.

- The U.S. Government believes that to capture the full economic and social development benefits of the Internet, governments must avoid heavy handed regulation. In our view, the private sector should lead and governments should avoid placing undue restrictions on the Internet.
- We hope we can count on your support for:
 - a customs-duty free environment for electronic transmissions;
 - an understanding among governments that taxes should be applied to Internet sales in a neutral, non-discriminatory manner;
 - an understanding that governments will support private sector-led efforts to agree upon a common, technology neutral approach to electronic authentication.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	Theodore Piccone to M. Diana Helweg and the National Security Advisor, re: Chile Trip Planning (2 pages)	03/26/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs
OA/Box Number: 1935

FOLDER TITLE:

Chile-Summit II, 1998 [Summit of the Americas] [6]

2009-1155-F
ke2464

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]
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- 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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- 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]

Kinser-Kidane, Brenda J.

From: WHSR
Sent: Thursday, March 26, 1998 3:27 PM
To: DeLaurentis, Jeffrey J.; DeSouza, Patrick J.; Dobbins, James F.; Hofmann, Karl W.; Lawson, Chappell H.; Orfini, Michael H.; Piccone, Theodore J.
Subject: SCENESETTERS FOR FIRST LADY'S EVENTS

UNCLAS SECTION 01 OF 02 SANTIAGO 001045

SENSITIVE

DEPARTMENT FOR ARA/BSC
WHITE HOUSE FOR MCLARTY

E.O. 12958: N/A
TAGS: PREL, OVIP (CLINTON, WILLIAM J.), CI
SUBJECT: SCENESETTERS FOR FIRST LADY'S EVENTS

SENSITIVE BUT UNCLASSIFIED, HANDLE ACCORDINGLY

1. (SBU) THE FOLLOWING EVENTS ARE ACTIVE OPTIONS FOR FIRST LADY HILLARY CLINTON'S SCHEDULE WHERE SHE WILL HAVE A SEPARATE PROGRAM FROM THE PRESIDENT'S. OTHER POSSIBILITIES INCLUDE A SPEECH AT AN EVENT TO BE ORGANIZED BY THE PAN AMERICAN HEALTH ORGANIZATION AND PARTICIPATION IN A PEACE CORPS-SERVICIO PAIS EVENT -- EACH SITE STILL TO BE DETERMINED. MORE PROJECTS ARE BEING SOUGHT

m?2zt8vmC\$PV
E EXHIBITS

HAVE BEEN DEVELOPED AND PUT ON DISPLAY. THE WORKSHOP OPENS INTO A LARGE PATIO, COVERED BY CANVAS ROOFING, WHERE THE INTERACTIVE GAMES WILL BE DEMONSTRATED BY A GROUP OF CHILDREN. THE INITIAL CEREMONY WILL BE LED BY MRS. FREI, WHO WILL EXPLAIN THE WORK OF THE TIEMPOS NUEVOS (NEW TIMES) FOUNDATION, ITS MUSEUM AND ITS EFFORT TO STIMULATE ARTISANS AND CHILEAN CRAFTS. AN ANNUAL PRIZE FOR THE THREE BEST WORKS BY CHILEAN ARTISANS SELECTED BY THE FOUNDATION JURY WILL BE PRESENTED. YOU WILL CONGRATULATE THE ARTISTS AND SEE THEIR PRIZE-WINNING WORKS. MRS. FREI WILL THEN GUIDE YOU AROUND THE WORKSHOP EXHIBITS AND SHOW YOU THE ARCHITECTURAL PLANS AND MODELS FOR THE MUSEUM COMPLEX.

BACKGROUND:

THE NEW TIMES FOUNDATION, HEADED BY MRS. FREI, WAS FOUNDED IN 1994 AS A NON-PROFIT INSTITUTION TO SUPPORT CULTURAL AND ARTISTIC ACTIVITIES THAT CONTRIBUTE TO THE INTEGRAL EDUCATION OF LOW-INCOME CHILDREN AND THEIR FAMILIES. IT IS ONE OF FIVE ORGANIZATIONS THE CHILEAN FIRST LADY IS ACTIVELY ENGAGED IN (THE OTHERS ARE INTEGRA - A HEAD-START TYPE PROGRAM, PRODEMU -- OFFERING ECONOMIC OPPORTUNITIES FOR WOMEN, THE FOUNDATION FOR THE FAMILY AND THE SENIOR CITIZENS COMMITTEE). MRS. FREI WAS INSPIRED BY INTERACTIVE MUSEUMS IN OTHER COUNTRIES, DECIDING TO CREATE SUCH A MUSEUM IN CHILE. SHE WORKED THROUGH THE FOUNDATION TO DEVELOP THE MUSEUM CONCEPT INTO A PLACE ACCESSIBLE TO ALL PEOPLE AND A NEW STIMULUS TO LEARNING ABOUT SCIENCE, TECHNOLOGY, ART, HISTORY AND HUMAN RELATIONS. THE SITE OF THE MIRADOR INTERACTIVE MUSEUM IS PARQUE BRAZIL (BRAZIL PARK), A 32-ACRE GREEN SPACE LOCATED AMONG SANTIAGO'S SOUTHWESTERN LOWER-MIDDLE-CLASS NEIGHBORHOODS.

3. (SBU) CUNCO: WOMENS' MICROENTERPRISE PROJECT

THE SMALL TOWN OF CUNCO IS LOCATED ABOUT 40 MILES EAST OF THE REGIONAL CAPITAL OF TEMUCO BY TWO-LANE PAVED ROAD. A NATIONAL WOMEN'S ORGANIZATION (RESIDENCIAS UNIVERSITARIAS FEMININAS -- RUF) HAS PROVIDED TECHNICAL SUPPORT FOR 200 POOR RURAL WOMEN WHO ENTERED A TRAINING PROGRAM THAT ENABLES THEM TO PRODUCE AND MARKET THEIR PRODUCTS AND BUILDS SELF-ESTEEM. A GROUP OF WOMEN WHO PARTICIPATED

IN THE PROGRAM WILL BE WAITING AT THEIR COMMUNITY CENTER. THEY WILL DISCUSS HOW THE PROGRAM HAS CHANGED THEIR LIVES. THEY WILL SHOW YOU WHAT THEY ARE NOW MARKETING: GOOSE MEAT AND FEATHER-DOWN PRODUCTS, FRUIT PRESERVES, DRIED FLOWERS AND WOOLEN GOODS.

BACKGROUND:

THE NON-GOVERNMENTAL ORGANIZATION RUF HAS EVOLVED FROM A CHARITY APPROACH TO AN EMPHASIS ON JOB-CREATION THROUGH TRAINING AND LOANS TO MICROENTERPRISES RUN BY WOMEN. THE INTER-AMERICAN FOUNDATION SUPPORTED THE TECHNICAL ASSISTANCE TO THIS PROJECT; THE SPANISH GOVERNMENT'S AID PROGRAM HAS FUNDED THE MICROENTERPRISE LOANS. THE WOMEN WHO HAVE BENEFITED FROM THE PROGRAM REFLECT THE REGION'S ETHNIC COMPOSITION: 60 PERCENT MAPUCHE INDIANS AND 40 PERCENT NON-MAPUCHE.

3. (SBU) TEMUCO: MAPUCHE CULTURAL CENTER

YOU WILL ARRIVE AT THE POOR NEIGHBORHOOD OF VILLA TROMAN WHERE A NEW MAPUCHE CULTURAL CENTER WILL BE FORMALLY INAUGURATED. THREE MAPUCHE COMMUNITY LEADERS WILL WELCOME YOU AND SHOW YOU THEIR BUILDING, WHICH HAS BEEN ESPECIALLY ADAPTED TO PROVIDE BOARDING FACILITIES FOR 28 MAPUCHE HIGH SCHOOL STUDENTS FROM RURAL AREAS. THE STUDENTS (14 THE FIRST YEAR) WILL BE SELECTED BASED ON ACADEMIC PROMISE AND COMMITMENT TO MAINTAINING MAPUCHE CULTURE WITHIN CHILE. THE LOCAL LEADERS WILL EXPLAIN WHY THE CENTER IS IMPORTANT.

BACKGROUND:

THE MAPUCHE CULTURAL CENTER IS A SIMPLE TWO-STORY BUILDING IN THE OUTSKIRTS OF TEMUCO, A CITY OF 100,000 AND CAPITAL OF CHILE'S NINTH REGION. THIS REGION HAS A SUBSTANTIAL INDIGENOUS POPULATION THAT RETAINS THE MAPUCHE LANGUAGE AND CULTURE. THE PEACE CORPS HAS ASSISTED IN BUILDING THE COMMUNITY CENTER SINCE 1992 WITH MATERIALS MADE POSSIBLE BY USAID. THREE MAPUCHE LEADERS HAVE ORGANIZED THE BULK OF THE CONSTRUCTION WORK. MATERIALS AND EQUIPMENT HAVE BEEN FINANCED BY GRANTS FROM THE CHASE MANHATTAN FOUNDATION AND TWO UNCLAS SECTION 02 OF 02 SANTIAGO 001045

SENSITIVE

DEPARTMENT FOR ARA/BSC
WHITE HOUSE FOR MCLARTY

E.O. 12958: N/A
TAGS: PREL, OVIP (CLINTON, WILLIAM J.), CI
SUBJECT: SCENESETTERS FOR FIRST LADY'S EVENTS

CHILEAN FOUNDATIONS. ADDITIONAL ASSISTANCE CAME FROM THE TEMUCO CITY GOVERNMENT, WHICH PROVIDED THE LAND AND ARCHITECTURAL SERVICES TO ENSURE IT CONFORMED TO STATE STANDARDS.

GUERRA

TABLE OF CONTENTS
POTUS BRIEFING BOOK
CHILE STATE VISIT
and
SUMMIT OF THE AMERICAS

**** BOOK DUE TO NSC EXECSEC APRIL 6****

I. SCOPE MEMORANDUM - Piccone/DeSouza
First draft due to JFD March 30

II. STATE VISIT

Bilateral Meeting and Talking Points - Piccone
First draft due to JFD March 30

Message Event Scenesetter (TBD) - DeSouza/Sandalow
First draft due to JFD April 3

State Dinner Scenesetter - Lawson
First draft due to JFD April 1

Speech to Parliament Scenesetter - Lawson
First draft due to JFD April 1

Lunch with Freis Scenesetter - Lawson
First draft due to JFD April 1

III. SUMMIT OF THE AMERICAS

Keynote Speech -- Blinken

Session I: Education - DeSouza
First draft due to JFD March 31

Session II: Democracy/Justice/Counterdrugs - Hofmann/Lawson
First draft due to JFD April 2

Session III: Poverty Alleviation - DeLaurentis
First draft due to JFD April 2

Session IV: Trade/Economics - DeSouza/Hofmann
First draft due to JFD April 2

Sustainable Development/Climate Change - DeSouza/Sandalow
First draft due to JFD April 3

Peru-Ecuador (TBD) - Piccone
First draft due to JFD April 3

Closing Remarks -- Blinken

IV. OTHER BILATERALS

President Zedillo - Hofmann
First draft due to JFD April 1

*Ted
Lorts good.
Thanks.
PS - Answer you
have shared with
Mackie*

MAR 26 1998

President Cardoso - Hofmann

First draft due to JFD April 2

President Menem - Piccone

First draft due to JFD April 3

Prime Minister Chretien - DeSouza/Bandler/Brown

First draft due to JFD April 1

Withdrawal/Redaction Marker

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. memo	Patrick DeSouza to James Steinberg, re: Your Meeting on the Santiago Summit (5 pages)	03/20/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs
OA/Box Number: 1935

FOLDER TITLE:

Chile-Summit II, 1998 [Summit of the Americas] [6]

2009-1155-F
ke2464

RESTRICTION CODES

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

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TAB B

***Draft Schedule for the President
Summit of the Americas - Santiago, Chile***

WEDNESDAY, APRIL 15TH

7:40 pm Depart Washington or Miami en route Santiago
[flight time: 10 hours, 20 minutes]
[time change: + 1 hour]

RON

AIR FORCE ONE

THURSDAY, APRIL 16TH

7:00 am Arrive Santiago

7:10 am- Arrival Ceremony
7:20 am

Note: Honor Guard upon arrival. Remarks optional.

7:25 am Depart Santiago Airport via Marine One en route Landing Zone
[flight time: 15 minutes]

7:40 am Arrive Landing Zone

8:50 am Depart Landing Zone en route Hyatt Regency Hotel

8:00 am Arrive Hyatt Regency Hotel

8:00 am- Down Time/Briefing
9:30 am

9:35 am Depart Hyatt Regency Hotel en route La Moneda Palace

9:45 am Arrive La Moneda Palace

9:50 am- Arrival Ceremony
9:55 am

Note: Honor Guard only/no remarks.

10:00 am- **Restricted Bilateral with President Frei**
10:50 am **President's Office - La Moneda Palace**
Interpretation TBD
Official Photo Only

Note: Potus plus 6.

10:55 am- **Expanded Bilateral with President Frei**
11:20 am **Room TBD - La Moneda Palace**
Simultaneous Interpretation
Pool Spray (At the top - 2 waves)

Note: Potus plus up to 15 at table and seats behind.

11:30 am- **Briefing for Press Conference**
12:30 pm **Room TBD - La Moneda Palace**

12:35 pm- (T) **Joint Press Conference**
1:35 pm **Site TBD - La Moneda Palace**
Open Press

1:45 pm **Depart en route events tbd**

2:00 pm- (T) **Events or Lunch TBD (See Options Below)**
4:00 pm

Options (Not all can be accomplished this afternoon)

-- Message Event TBD

-- Lunch/OTR Event

-- AmCham Drop-By

4:30 pm- **Down Time**
8:15 pm

8:20 pm **Depart Hyatt Regency Hotel en route La Moneda Palace**

8:30 pm **Arrive La Moneda Palace**

8:35 pm- **State Dinner/Entertainment**
11:00 pm **La Moneda Palace**
Pool Press (At the top/Toast Only)

Note: Business Attire. 400 guests in attendance. US seats =

150.

Potus makes reciprocal toast.

11:10 pm Depart La Moneda Palace en route Hyatt Regency Hotel

11:20 pm Arrive Hyatt Regency Hotel/Down for the Evening

RON**HYATT REGENCY HOTEL - SANTIAGO, CHILE****FRIDAY, APRIL 17TH**8:45 am- Speech Prep
9:15 am9:45 am Depart Santiago en route Valpariso Landing Zone
[helo time: 30 minutes]

10:15 am Arrive Valpariso Landing Zone

10:25 am Depart Landing Zone en route Parliament

10:40 am Arrive Parliament

10:45 am- Address to Parliament
11:45 am Parliament Building
Simultaneous Interpretation
Open Press*Note: First Lady to attend, 50 seats available for US delegation.*12:15 pm- Informal Lunch with President and Mrs. Frei
1:45 pm Cerro Castillo - Vina Del Mar
Whisper Interpretation
Pool Press (Arrival Only)*Note: Small, casual lunch with a few guests per couple to
choose.*2:00 pm- Down Time
6:00 pm*Options: Winery, Ranch-(T), Pablo Neruda House-(T) Visits.
helicopter rides from Vina Del Mar.**All are*

Note: *The President must helicopter back to Santiago sunset due to logistical concerns.*

RON **HYATT REGENCY HOTEL -SANTIAGO, CHILE**

**12:50 pm-
1:00 pm** **Official Photo
Sheraton Hotel
Open Press**

1:30 pm- Leaders Lunch (Pull Aside Opportunity)
 3:00 pm Real Camino Restaurant
 Open Press (Arrival)
 Closed Press (Lunch)

*Note: Prior to the lunch, an outdoor leaders photo is scheduled
 (Open Press)*

3:30 pm- Session Two
 6:30 pm Sheraton Hotel
 Closed Press

7:00 pm- Down Time
 8:30 pm Hyatt Regency Hotel

8:45 pm- Summit Gala
 11:00 pm La Moneda Palace
 Interpretation TBD
 Press TBD

*Note: Leaders plus spouses only. First Lady will not attend.
 Leaders seating is done by lottery. There is a separate
 delegation reception at Estacion Mapucho.*

RON

HYATT REGENCY HOTEL - SANTIAGO, CHILE

SUNDAY, APRIL 19TH

8:45 am- Briefing
 9:15 am Hyatt Regency Hotel

9:30 am- (T) Peru/Ecuador Signing
 10:00 am Sheraton Hotel

10:15 am- Summit Session Three/Closing Session
 1:15 pm Sheraton Hotel/Former Congress Building
 Open Press (Closing Session)

*Note: Frei plus 5 other leaders make remarks. We have the
 option if we prefer to make remarks. Potus will be seated in the
 front on dais with Frei.*

2:00 pm- Embassy Event
2:45 pm US Embassy
Closed Press

3:30 pm (T) Depart Santiago en route Temuco, Chile
[flight time: 1 hour]

*Note: Temuco/Pucon is not confirmed at this point. If not,
Potus may spend the afternoon/evening in Santiago and return
with the First Lady on the overnight flight.*

4:30 pm (T) Arrive Temuco, Chile

4:40 pm (T) Depart Temuco Airport via Marine One en route Pacun, Chile
[flight time: 30 minutes]

*Note: Helicopters are not confirmed at this point due to
logistical questions. If helos are not an option, than it is an 1 ½
hour drive between Temuco Airport and the town of Pucon.*

5:10 pm (T) Arrive Pucon Landing Zone

5:40 pm (T) Depart Pacun Landing Zone en route Hotel Cabin

5:55 pm Arrive Hotel Cabin

TBD OTR Dinner with the First Lady

RON (T) HOTEL CABIN - PACUN, CHILE

MONDAY, APRIL 20TH

TBD (T) Down for the Day and Evening

TBD Depart Pacun via Marine One en route Temuco Airport
[flight time: 30 minutes]

TBD Arrive Temuco Airport

TBD Depart Temuco en route Santiago
[flight time: 1 hour]

TBD Arrive Santiago

TBD Plane Change

TBD Depart Santiago en route Washington
[flight time: 10 hours]

RON AIR FORCE ONE

TUESDAY, APRIL 21ST

TBD Arrive Washington

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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003b. list	Preliminary List of State Visit Deliverables (1 page)	ca. 03/1998	P1/b(1)
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COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs
OA/Box Number: 1935

FOLDER TITLE:

Chile-Summit II, 1998 [Summit of the Americas] [6]

2009-1155-F
ke2464

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]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- 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]

TO: DAVIES

FROM: KENNEY, K

DOC DATE: 25 MAR 98
SOURCE REF: 9805282

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: BUILDING BLOCKS FOR PRES APR TRIP TO SANTIAGO

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
PICCONE

FOR CONCURRENCE
DELAURENTIS
DESOUZA
HOFMANN

FOR INFO
BLINKEN
BRAINARD, L
DOBBINS
ELKON
HILLIARD
LEE
SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 3 OF 3

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

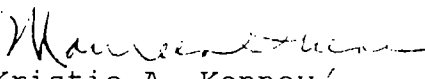
March 25, 1998

2184

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Building Blocks for the President's April Trip to
Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.


Kristie A. Kenney
Executive Secretary

Attachments:

Building Blocks	- Ecuador-Peru Statement
Building Blocks	- Chile: Joint US-Chile Statement For Press Conference
Building Blocks	- Chile: Background Material for Embassy Meet and Greet
Building Blocks	- Toast for Bilateral State Dinner
Building Blocks	- Santiago: Closing Ceremony Speech
Building Blocks	- Santiago Summit Inaugural Speech
Building Blocks	- Santiago Summit: Education
Building Blocks	- Chile: Speech to Chilean Congress

MAR 26 7:35

UNCLASSIFIED

ECUADOR-PERU STATEMENT

Today's agreement is a dramatic example of what this Summit is all about. It shows that the nations of the Americas are putting aside the differences that separated them in the past and are looking to the future. Working together, we Americans from north and south are turning the dream of hemispheric peace and integration into a reality.

I congratulate Presidents Alarcon and Fujimori for their statesmanship and their vision. They have reaffirmed their commitment to solving this long-standing problem so that their nations may enter the new millennium as friends and as leaders in building regional integration, as well as in providing tangible benefits to the people of both their nations.

For more than three years, the United States has worked closely with the other Guarantor nations to help Ecuador and Peru reach a comprehensive settlement. We have been very active in the diplomatic process that now is on the verge of success. We have also had our soldiers standing watch on the border, in what may be the most successful peace-keeping operation in history. We are proud to have been able to do so.

This peace process also shows how well the United States and major Latin American nations can work together to solve a serious

security issue. The United States will join with other nations and international financial institutions to help implement the final settlement, once it is concluded.

POTUS 4/15-20 STATE VISIT TO SANTIAGO, CHILE PUBLIC STATEMENTS
BUILDING BLOCKS

CHILE: JOINT US-CHILE STATEMENT FOR PRESS CONFERENCE

US As Reliable Partner

- (Viewed in context of potential sales of F-16 and F/A-18 fighter aircraft to Chilean Air Force)
- (EMPHASIS) The United States views Chile as a valued and respected partner. Chile can rely on the United States as a trusted friend and a reliable partner in the new world of the 21st century.
- The United States values highly its relationship with Chile - we have great admiration for the strides forward you have made in the economic and political spheres and look to you to champion economic and political freedom throughout the world. As a responsible world citizen, your leadership in UN Security Council activities, your assistance in Iraq sanctions monitoring, and your contributions to peacekeeping in Bosnia are all noteworthy. And, of course, your gracious hosting of the Summit of the Americas will long be remembered.
- We look forward to working closely with you on global issues like combating narcotics trafficking, terrorism and environmental threats, such as global warming and marine pollution. The actions that the government of Chile has taken in these areas is impressive.
- You should, in turn, expect to look to us to work closely with you and count on our support - whether in areas of your national security or in further opening of the international trading system, in educational and science cooperation or in other areas of mutual interest in our interdependent world. It has been a pleasure meeting with President Frei and his colleagues, and I look forward to continuing the long and rewarding association between the people of Chile and the people of the United States.

POTUS 4/15-20 STATE VISIT TO SANTIAGO, CHILE
PUBLIC STATEMENTS BUILDING BLOCKS

CHILE: BACKGROUND MATERIAL FOR EMBASSY MEET AND GREET

U.S. Embassy in Santiago

The current U.S. Embassy building was officially inaugurated on July 4, 1994 by Ambassador Curtis Kamman. President Eduardo Frei attended the inauguration. The unique embassy structure was designed by Leonard Parker and Associates, an American architectural firm based in Minneapolis. The primary design objectives were to present an image symbolic of the United States as a democratic society and to create a high quality, cost effective facility. The design is influenced by the triangular shaped site, security requirements and seismic conditions. The present Embassy staff consists of approximately 250 American and Chilean national employees. Ten U.S. government agencies are represented at Embassy Santiago. The principal Embassy officers are as follows:

Ambassador - Gabriel Guerra-Mondragon
Deputy Chief of Mission - Charles S. Shapiro
Economic and Political Counselor - Stephen Wesche
Consul General - Thomas J. Rice
Administrative Counselor - David Davison
Commercial Counselor - Carlos F. Poza
Defense Attache - Capt. Thomas L. Breitinger, USN
Public Affairs Officer - Kathleen Brion

Quite a few of the Embassy's highly valued Chilean employees have been with the Embassy for many years. Indeed, the current Assistant Secretary for Latin American Affairs at State, Jeffrey Davidow, is well remembered by many of the employees from his service at the Embassy some 30 years ago.

Attached: Information on the first Consular General in
Chile

- 8 -



All Americans and Chileans in this American Embassy should become aware of the experience of Joel Roberts Poinsett as the first American consul-general in Chile during the exciting years of Chile's independence movement, 1811-1814. Poinsett's role during those revolutionary years may be one of the factors behind the solid friendship and respect that has existed between Chileans and Americans since that time.

Poinsett was born in 1779 during the American Revolutionary War, in Charleston, South Carolina. As a young man he was privileged to travel in many countries; then in 1810 he came to southern South America as President James Madison's "agent for American seamen and commerce." After his mission in Chile, Poinsett became a state legislator in his native South Carolina, traveled in Mexico, spent four and one-half turbulent and unhappy years as the first U.S. consul-general to Mexico, fought the secessionist movement in his state, served as secretary of war under President Martin Van Buren, and, throughout his life, served the cause of art and learning.

The following summarized account of Poinsett's years in Chile was taken from the book of J. Fred Rippey, *Joel R. Poinsett: Versatile American*, which is available at the binational center (Instituto Chileno Norteamericano de Cultura) library.

It is ironic that this American patriot, who lived a stormy life in the midst of revolution, civil war, and politics should have left a flower as the principal monument to his memory. The lovely Christmas flower, *poinsettia* (*poinsettia pulcherrima*), carries his name, for having introduced the flower into the U.S. from Mexico.

Poinsett died in South Carolina at the age of 72, on December 12, 1851.

Napoleon Bonaparte had seized the Spanish royal family, placed his brother Joseph on the throne of Spain and, in 1808, sent his agents to the Americas to win over the Spanish colonies. President Thomas Jefferson of the infant United States sent his agent to the neighboring Spanish colonies of Cuba and Florida to assure them of U.S. friendship and to express U.S. "repugnance" if they were to fall under the domination of "France or English either politically or commercially."

Meanwhile, the appearance of Napoleon's agents in the Americas resulted in uprisings which eventually ended in a general movement for independence from Spain, with the formation of provisional governments which threw open their ports to world commerce. It seemed advisable to President James Madison for the United States to obtain its share of that commerce and to observe more closely the progress of the Spanish colonies; so he named Joel Roberts Poinsett of Charleston, South Carolina, as his commercial agent in southern South America, with responsibility for "American seamen and commerce" in that region.

In his initial instructions of August 27, 1810, U.S. Secretary of State Robert Smith defined Poinsett's mission somewhat obscurely as that of explaining "the mutual advantage of commerce with the United States, the promoting of liberal and stable regulations and the transmitting of seasonable information on the subject." The new commercial agent was also "to diffuse the impression that the United States cherish the sincerest good will towards the people of Spanish America as neighbors, as belonging to the same portion of the globe, and as having a mutual interest in cultivating friendly intercourse: that this disposition will exist, whatever may be their internal system or European relation, with respect to which no interference of any sort is pretended: and that, in the event of a political separation from the parent country, and of the establishment of an independent system of national government, it will coincide with the sentiments and policy of the United States to promote the most friendly relations, and the most liberal intercourse, between the inhabitants of this Hemisphere, as having all a common interest, and as lying under a common obligation to maintain that system of peace, justice and good will, which is the only source of happiness for nations."

Poinsett was assigned to Buenos Aires and after a delay of almost three months, during which Spanish consuls in the United States protested Madison's assignment of commercial agents to Spanish colonies, left New York on October 15, 1810, on the *Niagara*, for Rio de Janeiro. After a stormy voyage of seventy days he arrived in Rio, where he remained until January, 1811, when he departed for Buenos Aires, disguised as an Englishman and secretly on board a British merchant vessel. Upon discovery by hostile British agents in Spanish America, Poinsett would be described in reports as "the most suspicious character from the United States in Spanish America."

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After 33 days at sea Poinsett reached Buenos Aires, where he was favorably received by the revolutionary junta, who expressed their desire to cultivate the most intimate connection with the U.S. and assured Poinsett that U.S. commerce *"shall be placed on the footing of the most favored nation."* He did not delay in persuading the junta to appoint a committee to investigate *"the subject of the enormous duties and the vexatious manner of levying them."*

In Buenos Aires he struggled against the political and commercial influence of the British, requesting instructions from Washington on how to act if the Argentines should declare their independence from Spain. In one of his dispatches he predicted: *"All South America will be separated from the Parent country. They have passed the Rubicon."*

The U.S. secretary of state responded to his request as follows: *"...the independence of those States excites great interest here. As inhabitants of the same Hemisphere, as Neighbors, the United States cannot be unfeeling spectators of so important a movement. The destiny of those provinces must depend on themselves. Should such a revolution however take place, it cannot be doubted that our relation with them will be more intimate, our friendship stronger than it can be while they are colonies of any European power."*

It is assumed that Poinsett worked to bring about a complete break between the Buenos Aires junta and the Spanish government but that British influence frustrated his efforts. He made some progress in stabilizing commercial conditions in spite of the fluctuating political situation and he also found time for parties, dances, bullfights and rides into the adjacent country. In April, 1811, he had been promoted to the rank of consul-general for *"Buenos Ayres, Chile and Peru,"* with a resident consul in Buenos Aires. By October, 1811, Poinsett began to feel that nothing more could be accomplished in Buenos Aires because of British influence, so that in November, he set out for Chile, where it was reported that a more favorable attitude would be found.

The consul-general arrived in Santiago on December 29, 1811, after more than fifty days of travel in a large unwieldy carriage or on the back of a mule, sleeping in his coach or on the ground to avoid the vermin of the inns. His description of the Pampa, the gauchos and the crossing of the high Andes is perhaps the first ever written by an American.

In spite of a recommendation written by an agent of the Chilean junta in Buenos Aires describing him as *"a man of fine character very much in sympathy with our system and by his mediation may be secured whatever we need,"* Poinsett, because of some opposition to his reception, was not allowed to present his credentials until February 24, 1812.

José Miguel Carrera, president of the junta, recognized the significance of Poinsett as the first accredited agent of a foreign government to reach Chile, so he made the occasion as imposing as possible. Carrera assured Poinsett of the sincere friendship of the Chilean people and of their desire for commercial relations with the U.S. Poinsett replied in Spanish: *"The Americans of the North generally observe with the greatest interest the success of these countries, and ardently wish for the prosperity and happiness of their brothers of the South."* The *Aurora*, then the leading newspaper of Chile, called it *"a day of great gratification for the real friends of the country."*

Poinsett succeeded in gaining the favor of the junta and the warm friendship of its president, José Miguel Carrera, whose family had gained ascendancy over the Larraín family in the revolutionary rivalry. José Miguel's brothers Luis and Juan José held important army positions; his father Don Ignacio was a man of great influence; and his beautiful sister Javiera held a special place of affection and respect within the family circle. Both Poinsett and José Miguel were deeply interested in military affairs and each accepted with enthusiasm the principles of the French Revolution. The young Carrera was disposed to consider with deference the counsel of the older, more experienced Poinsett, so that the American's relations with the Carrera family became most intimate, and he soon gained a powerful influence in the affairs of the emerging nation. He exerted this influence on behalf of democracy, which he considered the most perfect form of government for any people.

The Spanish viceroy in Lima, resentful of the Chilean independence movement, especially in the realm of commerce, sent privateers to enforce the old Spanish colonial system, seizing ships and confiscating cargo, much to the dismay of foreign traders, many of them Americans. The Chilean junta had done no more than protest, but Poinsett characteristically urged practical measures for the protection of U.S. commerce, suggesting that Chile close her ports to Peru; but the junta did not feel strong enough to take such a step against the viceroy.

Soon afterward the junta asked Poinsett to help them secure arms and supplies in the U.S. for their revolutionary struggle. He gladly complied, furnishing the names and addresses of arms dealers, but all efforts to obtain equipment proved futile, principally because the U.S. was at war with England.

From the beginning, Poinsett seemed to ignore the U.S. declaration of neutrality in the quarrel between Spain and its colonies and began to encourage the Chileans to proclaim their independence. In time the movement for separation gained impetus, so that the Chileans adopted a new flag and set aside the Fourth of July for its dedication. The U.S. citizens in Santiago planned a great Fourth of July celebration, and José Miguel Carrera considered declaring Chilean independence on the Fourth, only to abandon the idea at the last moment.

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In his letter of invitation to the American celebration of the Fourth of July, Poinsett wrote to Carrera: *"The special coincidence that on the same date of the separation of my country from Great Britain, you are going to assemble for the dedication of a national flag, places a curious significance on the reception of tomorrow during which we shall see entwined the symbols of the two sister nations."*

The American flag "was hoisted in many public places entwined with the new tri-colored banner of Chile," and that night, the consul-general held a magnificent Fourth of July ball at which were present *"the junta and nearly three hundred persons of both sexes of the best society"* to celebrate the liberty and independence of both nations.

The commission for drawing up a constitution for the new nation asked Poinsett's advice. He responded eagerly and presented his own draft of a fundamental constitution on July 11, modeled on the U.S. Constitution. The commission rejected his draft for various reasons, basically because it was too bold, but they continued to meet at the residence of the consul-general through the remainder of the Chilean winter and completed their constitution in October. The document contained many of the basic principles of Poinsett's project, including his safeguards for the individual.

During the last months of 1812, Poinsett was able to halt a serious feud between the Carrera brothers José Miguel and Juan José. The older brother, Juan José, coveted supreme authority of the junta and intimidated that U.S. and Buenos Aires agents were too influential in the junta. The feud worked to the benefit of the rival Larraín family. Eventually, José Miguel was restored to his place as president of the junta, and Juan José wrote to the American consul-general: *"Your generous initiative, my excellent friend, has made it possible to avoid the greatest family scandal: the separation of brothers who because of transitory misunderstandings, inspired by perfidious counsellors, might have destroyed the happiness of the union and the peace of the country, with misfortune for the cause of liberty. To you, my wise and best friend is due the return of peace to our hearths, where an affectionate father and a most lovely sister were weeping over the disgrace of José Miguel and myself. I hope, my consul, that you will take these words as proof of the appreciation of a generous heart that sees in you the friend and guardian angel of union, peace and domestic happiness, and that also recognizes in his disinterested and magnanimous friend the best citizen of Chile."*

Not only had Poinsett helped frame a Chilean constitution and prevent a fratricidal war during his first year in Chile; he had also helped in the organization of the Chilean police force, given advice in the

establishment of a bank, encouraged the planting of cotton, and suggested experiments in the cultivation of tobacco, beets and flax. Because of these varied activities he was named a member of the Society of the Friends of the Country, a group concerned with the development of the industry and agriculture of the country.

Early in 1813, Poinsett, who always preferred the excitement of military combat to the monotony of diplomatic life, accompanied Carrera on a trip to Concepción *"with the view of fortifying and making the place more secure against foreign invasion."* Thus, after having encouraged a declaration of independence, Poinsett was now departing farther from his official duty to participate actively in the insurgent campaign.

The troops of the Spanish viceroy of Peru had landed near Talcahuano, in southern Chile, and easily secured control of that harbor. Carrera rushed to Concepción to form an army in a region unprepared to confront the invasion and, in addition, somewhat unenthusiastic about following the Carrera-dominated junta. Poinsett became Carrera's chief adviser during most of the campaign, wielding potent influence with regard to the discipline and provisions of the new army. In May, near San Carlos, the Chilean patriots, accompanied by the American consul-general, forced the invading royalists to take up a new position at Chillán. Then Poinsett directed Carrera's attention toward Talcahuano, still in enemy hands, where the Peruvian privateers were holding the crews of several American whaling vessels and threatening to send them to Lima in chains. The Chileans attacked the royalists in Talcahuano, took the town in an engagement lasting three hours and freed the American sailors. More than ten years later, the Nantucket *Inquirer* would recall the debt of gratitude which the New England community owed to the Honorable Joel Roberts Poinsett.

Carrera's troops cleared the province of Concepción of invading royalists and began preparation for the siege of Chillán, with Poinsett lending his counsel. They failed to take Chillán and by the time Carrera and Poinsett were able to return to Santiago, Carrera had lost all influence with the provisional government. During the ensuing 13 months, the Chilean patriots, in spite of a glorious victory on the plains of Maipú, were forced to flee over the Andes to Mendoza in October, 1814, their first movement for self-government in ruins.

During this collapse, the consul-general suffered a variety of unpleasant experiences. His prestige declined with the increasing misfortunes of José Miguel Carrera. At a meeting in October, 1813, one of the speakers demanded that he be ordered out of the country. Losses in battle were now being attributed to his influence. Nevertheless, one of the members of

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the junta wrote him suggesting that he "*despise the wicked critics*" adding that "*I am disheartened whenever you tell me that you intend to retire at the moment we are about to conclude the work which we have so fortunately undertaken and for which Posterity will be grateful to you. Aid us with your Presence so necessary to the rising Nation. Do it for the good of your fellow-man. Their iniquity and intrigue will vanish at the presence of your virtue.*"

By April, 1814, Poinsett's influence and the prestige of the United States had declined to such a low point that Poinsett decided to leave Chile and on April 28 set out on the long journey over the snow-covered Andes to Buenos Aires. Juan José Carrera accompanied him as far as Mendoza. In Buenos Aires, anxiously seeking passage home, he received word from Chile that José Miguel had become again the leading spirit of the Chilean government. Carrera sent Poinsett a letter of appreciation for his services to Chile. The letter concluded with the words: "*It will be a happy day for us when your excellency shall decide to return to the country which will never blot from its memory the obligations that it owes you.*"

Poinsett was finally able to book clandestine passage on a Portuguese vessel out of Buenos Aires. He reached Charleston on May 28, 1815, less than five years after having left the United States.

The available files of his communications are incomplete, but they indicate that Poinsett was a little less than frank with his chief. He did not reveal to Washington his full share in the direction of the insurgent campaign. His enthusiasm for democracy and military activity had led him to transcend his instructions, without making a full revelation of his activities to a chief scarcely less liberal than he. As a result, with his knowledge of Poinsett's activities thus incomplete, Secretary of State James Monroe expressed full approval "*of the ability and zeal with which Poinsett had discharged the duties of his post.*"

By 1816, Poinsett was immersed in the work and politics of his native Charleston. Then, in January, his old friend José Miguel Carrera landed in Annapolis to seek aid in the U.S. for the Chilean revolution. He wrote immediately to Poinsett, who replied, giving encouragement but urging the greatest discretion and enclosing letters of introduction, including one to Secretary of State Monroe. Poinsett wrote Carrera a note in February indicating that he was urging Washington authorities towards a more decided policy with regard to the affairs of the Spanish colonies. He promised that after making this effort he would personally "*devote himself*" to the service of his old friend.

Meanwhile, Carrera was in the U.S. raising an expedition against the royalists. He thought of visiting Poinsett in Charleston, but abandoned the idea because of the rains and bad road conditions.

Late in June, Poinsett sailed for New York, where he met Carrera on July 4 and spent nearly two months with the Chilean, discreetly helping him in the revolutionary enterprise.

Late in November, 1816, Carrera's ill-fated expedition of sixty European and American volunteers and considerable supplies embarked at Baltimore. Poinsett wrote him a touching note of farewell: "*I feel the greatest satisfaction in seeing your arrangements completed. Your work has been crowned with brilliant success and, believe me, I never thought it could be done. I wish for you the most complete happiness and also desire that you may be able to liberate your beautiful country to which I feel so closely bound. Count me among your best friends and command your old consul.*"

Carrera responded with a letter full of gratitude and affection. At times during his sojourn in the U.S. he had doubted Poinsett's friendship, but now there was no reserve. He wrote: "*Know always that your friend will always remember you with special tenderness. Farewell, farewell, viejo amigo!*"

Carrera and Poinsett would never meet again. The expedition was a failure. For several years Carrera continued to write Poinsett from Montevideo and Buenos Aires; then the letters ceased to come. In 1821, Carrera was executed at Mendoza.

The achievements of Joel Roberts Poinsett lie in the shadows of Chilean history, but there are historians who give this distinguished citizen of the United States full recognition for his services to Chile in the first period of the war with Spain, when the idea of independence burned in only a few enlightened minds and when republican education was entirely lacking even among the most cultivated in Chilean society.

Contributed by Fred Becchetti.

POTUS 4/15-20 STATE VISIT TO SANTIAGO, CHILE PUBLIC STATEMENTS
BUILDING BLOCKS

TOAST FOR BILATERAL STATE DINNER

Current Leader: President Eduardo Frei Ruiz Tagle

"The essence of our history is that our success is the product of harmony and that all of our failures are the offspring of disunity." Presidential Message to Congress, May 21, 1995.

"The most successful countries are precisely those that belong to a moral community; that have a common set of values that inspire and maintain their unity; that adapt to change; that are concerned with the disadvantaged and with equality, and that have an active government, with vision and sensibility, capable of exercising leadership and willing to work with the people to solve their problems." Presidential campaign speech, November 1993.

"The end of ideological dominance should not create a vacuum in which alienation prevails and the absence of ideas predominates it as necessary to build the nation's spiritual resources and its democratic foundation. This ethical and legal foundation should be dedicated to a culture of responsibility taught in the schools, disseminated by families and by the media, and given added weight by the nation's churches and other spiritual centers." Presidential Message to the Congress, May 21, 1994.

Chile/Cultural References

taco - referring to a traffic jam - people are often late because of the "tacos" in Santiago **[Note: Embassy Santiago strongly recommends POTUS use this in one of his televised appearances, as in "Sorry I am a few minutes late, I got caught in a taco."**

empanadas - a favorite meat, seafood or cheese pastry - often eaten as appetizer or weekend meal

"al tiro" - in a shot - meaning I'll do it "right away"

[Note: Embassy Santiago strongly recommends use of this "Chile-ism" to give strong emphasis to a point during the speech in Congress.]

huaso - a Chilean cowboy - wears Spanish style hat with cord, tight pants, black leather chaps and boots and large silver spurs

copihue - (co-pee-whey) Chile's national flower - red fluted-cup-shaped flower

"funiculares" are old-fashioned cable cars that haul people up the steep Valparaíso hillsides (while giving a spectacular view of the bay)

Mount Aconcagua - in the Andes on border between Chile and Argentina, the tallest mountain in the hemisphere.

Historical Figures

Eduardo Frei Montalva, President of Chile, 1964-1970

Father of current President Eduardo Frei Ruiz-Tagle. A founder and leader of the Christian Democratic Party, he supported social reforms as President. Frei was born in Santiago, Chile on January 16, 1911. He studied law at the Catholic University of Chile and graduated in 1933. That generation of students later formed the nucleus of the Christian Democratic Party. In 1934, Frei was on his way to Rome as the Chilean delegate to a Catholic youth congress when he stopped in Paris, where he heard a lecture by the leading philosopher of Christian Democracy Jacques Maritain. In 1938 he helped form the National Falange, a party that was the forerunner of the Christian Democrats, created in 1957. Frei served in the Chilean Senate (1949-1964) and ran unsuccessfully for president in 1958. As President (1964-1970), Frei stood for his party's belief that Christianity required that government support the spiritual and social improvement of men by democratic means. He worked to achieve national control of the copper industry and public utilities, wider distribution of the ownership of land, reform of tax laws, improvement of public health, housing and education, and reduction of military costs. After 1970, he remained a powerful opposition voice until his death in Santiago on January 22, 1982.

"We have history, poets, and scholars, extensive lands and enormous potential. We cannot be mute witnesses in a world in which everyone is prepared to have a voice and assume power. If we remain in disunion, we can expect to have unresolvable problems. Unity opens vast perspectives. That is our task, and if we do not accept it, no one can do it for us, which will mean that Latin America will lose its soul and its destiny.... From a speech at Vina del Mar, Chile, June 21, 1967

NOTE: President Frei feels very close to his father emotionally. One of his major goals - to reduce poverty - is seen as completing the mission his father began. References to his father would be welcomed, but should not be overdone.

Andrés Bello López

Man of letters and founder of the University of Chile. He was born in Caracas, Venezuela in 1781 and died in Santiago, Chile in 1865, where he spent more than 30 years of his life. In 1802 he was named Secretary in the colonial government of Venezuela. In 1808 he was an adherent to the Independence movement in Venezuela and was sent to England with Simón Bolívar to woo the English for aid in the revolutionary cause. In 1810 he returned to England, where he lived for almost two decades. During that time he cultivated the friendship of philosophers, men of letters, and scientists. In 1829 he was invited to Chile to fill a high post in the ministry of Foreign Affairs, and to lead the intellectual life of the young republic. After founding the Universidad de Chile, he became its first president in 1842. By that time he had obtained Chilean citizenship, and was already active in politics. He was elected to the Senate in 1837, 1846, and from 1855 through 1864. His literary contributions were many. Besides writing poetry, he was the author of one of the best grammar books of Spanish, "Gramática de la lengua Española" (1847).

He was also the intellectual leader of the neo-classical period in Chile, which began around 1830 and lasted for about 15 years. As a contributor of the literary supplement of the newspaper "El Mercurio" in Santiago, Andres Bello was at odds with the Argentinean Domingo Faustino Sarmiento, who had been exiled by the Argentine dictator Juan Manuel Rosas, and had come to Chile. Sarmiento became a contributor to "El Mercurio" in Valparaíso, and soon attacked Bello for writing un-imaginative poetry in the style of the neo-classics: cold, simple, without guts. Sarmiento espoused the romantic ideals in writing, and soon there was a polemic between the two writers which lasted until Sarmiento returned to Argentina, later to become President, after the fall of Rosas. Bello left behind many outstanding works in addition to his well known grammar and poetry. His "Treaty on International Right", and his "Civil Code" are among the great contributions to the political history of Chile. Among Bello's many disciples are Jose Victorino Mastarria and Miguel Luís Amunategui.

Bernardo O'Higgins - Chile's liberator (see attachment)

Diego Portales

Born in 1793 Portales was an outstanding public figure: Minister of the Interior, Minister of Foreign Affairs, War and Navy. Furthermore, he created the Ministry of Justice, Culture and Public Teaching, holding office as interim Minister. He held all of the above public offices under the government of President José Joaquín Prieto Vial. He is credited with ending a period of anarchy which had affected the nation since 1830, and undertook

to remake the country politically, organizing a democratic non-personal government with a strong, efficient and honest executive body. Diego Portales reorganized the Chilean army and was the inspiration behind the public constitution of 1833. He defended the national sovereignty in 1833 against the confederation formed by the Peruvian and Bolivian governments.

Alexander Selkirk's abandonment on Chile's Juan Fernandez Islands became the basis for Daniel Defoe's Robinson Crusoe. The archipelago's unique wilderness area was declared a Biosphere Reserve by UNESCO in 1978.

Literary Figures

Isabel Allende

Contemporary, well-known novelist who writes in the genre of magical realism, and is niece of former President Salvador Allende, the Socialist president who was overthrown in 1973 by Augusto Pinochet. Allende is the author of successful novel, "The House of the Spirits," which traces the experiences of multiple generations of a fictitious family against the backdrop of Chilean history, although it is not identified as Chile in the novel. Her other novels include "Eva Luna," a compilation of short stories; "De Amor y Sombra (Of Love and Shadows)," a love story written while Allende was exiled in Venezuela; and "El Plan Infinito (The Infinite Plan," her first novel written in this country with expressly American characters); and "Paula," a memoir which she wrote while her daughter was gravely ill. A long time resident of Northern California, her books have been widely translated.

José Donoso (1924-1996)

Author of international fame and a frequent lecturer in the U.S. Some of his best known novels are "Coronación (Coronation)," "Este Domingo (This Sunday)," "El Obsceno Pájaro de la Noche (The Obscene Parrot and the Night)," "Casa de Campo (Country House)," and "El Jardín del Lado (The Side Garden)."

Ariel Dorfmann

Author of "The Death and the Maiden," a play performed on Broadway in 1992 and produced as a movie in 1993. Other works include "Viudas (Widows)," "Mi Casa está en Llamas," "Máscaras (Masks)," and "Sin ir más Lejos (Without Going Further Away)."

Nobel Prize Winner (1971) Pablo Neruda

1971 Nobel Prize winning poet (1904-1973). Some of his best known works are "Veinte Poemas de Amor y Una Canción Desesperada (20 Love Poems and a Song of Desperation)," "Residencia en la Tierra" (Residence in the Land)," "Canto General," "Versos del Capitán" (The Captain's Verses)," "Odas Elementales (Elemental Odes)," and "Estravagario." His poetry makes references to love, passion, the sea, nature in general and everyday issues such as food, wine, etc. Also a controversial political figure; ran for President of Chile on the Communist Party ticket. Main character in the recent film "The Postman (Il Postino)." [See below]

Pablo Neruda "The Night on the Island"

"Perhaps very late
Our dreams became one
On high or down deep
Up in the branches swayed by the wind
as red roots that entwine."

Gabriela Mistral (1889-1957)

1945 Nobel Prize winning poet. Some of her best known works are "Ternura" (Tenderness) "Lectura para Mujeres," (Texts for Women) "Desolación," (Desolation) and "Poemas de Chile (Poems of Chile)."

Nicanor Parra

National Literature Award, professor of physics and poet of international recognition described as an anti-poet. Some of his best known works are "Poemas y Antipoemas (Poems and Anti-Poems," "La Cueca Larga," (Cueca is the Chilean National Dance - the Long Cueca) "Canciones Rusas (Russian Songs)."

Antonio Skármeta

Author of the play "Ardiente Paciencia" (The Postman) which was produced as a movie ("Il Postino") and also has been performed in many countries with great success. Other works: "Match Ball," "Desnudo en el Tejado," (Naked on the Roof) and "La Insurrección" (The Rebellion).

From Skármeta's novel, The Postman ("Ardiente Paciencia")

When the young postman asks Pablo Neruda what a metaphor is, the poet replies, "To be more or less imprecise, we could say that it is a way of describing something by comparing it to something else..."

"But if it is such a simple thing, why does it have such a complicated name?"

"Because the names of things have nothing whatsoever to do with how simple or complicated they are."

Archeological

Monte Verde - archeological site near Puerto Montt in southern Chile - discovered nearly 20 years ago and excavated by U.S. anthropologist Tom Dillehay (U. Kentucky) has just recently gained acceptance by scientific establishment as site of oldest known human habitation in the Americas (dated to about 12,500 years ago) - predates Clovis, New Mexico site by over 1,000 years - startling implications for theory of population of the Americas via land bridge across the Bering Strait. (Oct. 1997 National Geographic)

Oldest mummies found in the northern desert - Atacameña culture

Musical Figures

Claudio Arrau (1903-1991)

Pianist of international renown, hundreds of recordings.

Juan Pablo Izquierdo

Conductor, very well known for his work with contemporary music. Frequently works in the U.S. and in Israel.

Victoria Vergara

Mezzo-soprano, internationally well known for her "Carmen" and her renditions of roles in contemporary opera.

Violeta Parra

Composer, singer, painter--artist. Famous for her song "Gracias a la Vida" which is part of the repertory of the best known folk singers as Mercedes Soza.

Inti Illimani

Folk music group; they have toured all over the world with their folk inspired music and are widely popular, both in the country and abroad. They are/were strongly politicized, living in exile during the Pinochet regime.

Illapu

Folk-inspired music group, very popular in Chile.

Film Directors

Silvio Caiozzi

Director of the 1990 film "La Luna en el Espejo" (The Moon in the Mirror) which has won a number of national and international prizes, among them the 1990 prize for the best film in the Trieste Film Festival and a Special Award in the 1990 Valladolid Film Festival.

Ricardo Larraín

Director of the 1991 film "La Frontera" (The Frontier) which has won over a dozen international prizes, among them the Silver Bear prize of the Berlin Film Festival of 1992 and the Goya prize from the Spanish Film Academy in 1992.

Attachment

Information on Bernardo O'Higgins

Don Bernardo O'Higgins



Don Bernardo O'Higgins (1778-1842) was Chile's liberator and supreme director for six years. He was of Irish decent and born out of marriage. His father, Ambrosio, was the governor of the southern province of Concepcion when he met Isabel Riquelme. Isabel was the daughter of a wealthy creole landowner who traced her family's background to the Moorish occupation of Spain. Their affair lasted several years and led to Don Bernardo's birth on August 20th, 1778 in the town of Chillan. Ambrosio and Isabel never wed to the class distinctions of the two. He was an officer of the crown, and she was of Creole decent. Don Bernardo only had indirect contact with his father. When he was only twelve, he was sent to Lima for his secondary education. Five years later, he was sent to England for further education. It was there in London that he came to know of Chilean Nationalistic Pride.

There he encountered Francisco Miranda, the liberator of Venezuela, and learned a lot from this man. Like many other revolutionary men, he also belonged to a secret Masonic lodge. The lodge was established by Miranda, and all the members were dedicated to the liberation of Latin America. In 1801, his father died, and he returned to Chile to run the Hacienda his father has left him. In a short time Don Bernardo O'Higgins was able to make the Hacienda quite prosperous. In 1806, while Spain was occupied with Napoleon's armies, he decided this was the time to organize Chile's government. On September 18, 1810, a national Junta, composed of national leaders replaced the governor general. By 1811, Chile had its own congress and two years later it had its own constitution. Noticing what was happening, the viceroy of Peru sponsored an invasion in 1814. This is where Don Bernardo O'Higgins was to first set his first mark as a leader. Don Bernardo O'Higgins rose from the rank of Colonel of Militia to General in Chief of the defensive forces. Once in the war, it did not go very well for Don Bernardo O'Higgins, this led to his being superseded in command. In October 1814, at Rancagua the Chilean patriots lost a decisive battle to the Peruvian-led forces, for the next three years the country was occupied by the royals.

In January 1817, Don O'Higgins returned to Chile with the Argentine General Jose de San Martin and a combined army of the Andes consisting of Argentine troops and Chilean exiles. On February 12, 1817 Don O'Higgins returned to Chile with the Argentine General Jose de San Martin and the combined army of the Andes made up of Argentine troops and Chilean exiles. At Chacabuco on February 12, 1817 they defeated the Spanish. Chile was mostly re-conquered and Don Bernardo O'Higgins was elected Supreme Director.

Up until 1823 Don Bernardo O'Higgins maintained a successful administration. He created a working Governmental Organization, and provided the foundation necessary for a successful government. He also managed to build a national Navy and mount a war against Peru to fight the Royalists. Don Bernardo O'Higgins was popular because of the fact that he was such a successful leader of war. But once the threat of war was gone his popularity diminished. He had Integrity, an eagerness to work hard, and strong moral principles. These virtues were enough for a man of his principles, but for leading in Public Administration it wasn't enough. From 1823 until the period of his death he lived in exile in Peru, dividing his time between Lima and Peru similar to his youth. During both periods he longed for his home.

SANTIAGO: CLOSING CEREMONY SPEECH

Historical Background:

- In 1994 the nations represented at the Miami Summit committed themselves to a wide variety of goals, including strengthening democratic institutions, launching economic integration, conserving the environment, and alleviating poverty.
- We have met here to advance these objectives, review our commitments, and launch bold new initiatives.

Forming the Action Plan:

- The "Spirit of Miami" was the call for the nations of the hemisphere to address tough issues in an open, neighborly, and cooperative manner.
- That was precisely the manner in which the nations of the hemisphere embarked on the arduous task of producing the impressive action plan which we have just approved at this Summit.
- The Summit Implementation Review Group (SIRG), representing all the countries of the hemisphere, formed Working Groups to address the 23 action items and held numerous meetings at the technical, vice-ministerial and ministerial level to help us arrive at the action plan.
- In the Declaration of Santiago, we have set forth our vision of how to make the hemisphere a safer, fairer, more prosperous place for all our peoples, and we will take on the tasks of providing better education, ensuring peace and security, fighting crime, creating new economic opportunities, providing better health care, and reducing discrimination.
- The concrete steps we will take to those ends are in an action plan which is a detailed blueprint for greater hemispheric integration, solidarity, and cooperation.

A Hemisphere United:

- Both the Miami Summit and the Santiago Summit have been remarkable because of their unity of purpose, common goals, and focused objectives.
- Now, we have in our hands the detailed blueprint for even greater hemispheric integration, solidarity and cooperation in the next century.

- This is not an easy plan to carry out. It will require time and effort. But rapid implementation is vital.
- We must therefore proceed with zeal and determination to carry out this action plan as completely and as quickly as possible because the purpose of this plan is to improve the lives of people.

The Spirit of Santiago:

- Through education, training, economic integration, a hemispheric free trade area, continued confidence-building and security measures, easier access to modern technology and financial markets, focused assistance, and improved infrastructure, we will open up new opportunities for our people and help them to prepare for the 21st century.
- Strengthened democratic institutions, modernized and efficient government services, transparent administration, better health and medical care, and intensified respect for basic human rights will benefit every individual, as well as strengthen society as a whole.
- The empowerment of microentrepreneurs, women, the under privileged, and indigenous populations will bring new sources of creativity, initiative, and innovation into our economies.
- The point is clear. The goal of this Summit is to foster the potential of every man, woman and child in this hemisphere.
- If we carry out the Action Plan we have approved this week, then history will look back and view this Santiago Summit as the "Summit of the Common Man."

Congratulations:

- Working together, the Governments of this Hemisphere have produced a remarkable document which will place this hemisphere on an upward trajectory for the foreseeable future. My thanks to my fellow Heads of State, and to the many men and women who devoted so much effort to the drafting of this Action Plan and making this Summit a success.
- Thanks also to Mack McLarty who led the conceptual effort which reached its fruition at the Miami Summit and also spearheaded the United States participation in the preparations for this Summit.

- My compliments to the Foreign Minister of Chile, whose staff so ably carried out the tremendous amount of work involved in Summit preparations.
- And, above all, thanks to the President of Chile for his generous hospitality in hosting this Summit, and to the people of Chile for their warm welcome.

POTUS 4/19 PUBLIC STATEMENTS BUILDING BLOCKS

SANTIAGO SUMMIT INAUGURAL SPEECH

Historical Background:

- Previous "hemispheric" summits were held in 1956 (Panama City) and 1967 (Punta del Este, Uruguay). Though the meetings marked historic times in Latin America, neither produced significant results.
- The Miami Summit was the first meeting of 34 democratically-elected leaders; the first summit in 27 years; the first summit to include all the English-speaking Caribbean nations and Canada.
- The Miami Summit issued 23 action items spanning four themes: democracy and human rights; economic prosperity/free trade; poverty alleviation (investing in people); and sustainable development. Key action items included: FTAA by 2005; counternarcotics/money laundering; corruption; sustainable energy use; biodiversity; pollution prevention; women; education; and health.

The Spirit of Miami:

- At the closing of the Miami Summit, President Clinton declared: "Our goal is to create a whole new architecture for the relationship of the nations and the peoples of the Americas to ensure that *dichos* become *hechos*, that words are turned into deeds."
- Our nations did not sit idly by after the Miami Summit - they responded with an intensive and historic follow-up effort that spanned the hemisphere. The "Spirit of Miami" has demonstrated that our nations can address tough issues in an open, neighborly, and cooperative manner.
- As the torch passes from Miami to Santiago, we must remind ourselves that as we embrace hemispheric integration, solidarity and cooperation, our fundamental purpose must be to improve the lives of people. The "Spirit of Santiago" must embody this principle, keeping in mind that the real work of the Santiago Summit begins today.

Achievements Since Miami:

- Working through the OAS, our nations have protected and strengthened democratic rule, most notably through the OAS

Washington Protocol and Resolution 1080. Funding for the OAS's Unit for the Promotion of Democracy has been increased by 155 percent since Miami to \$3.5 million from the OAS regular budget, and outside donors from within and without the hemisphere (including the U.S.) now contribute over \$10 million in voluntary funds. [Note: The OAS Washington Protocol entered into force in 1997 and allows for the suspension of a member whose democratic government has been overthrown by force. Resolution 1080, adopted in 1991, allows for a collective response in case of interruption of democratic rule.]

- Summit governments negotiated the Inter-American Convention Against Corruption in March 1996. The convention, the first of its kind, is a strong statement that the Americas are committed to the global fight against corruption. Twenty-three countries have signed the Convention, and eight have ratified. (NOTE: The Convention may be submitted to the U.S. Senate in advance of the Summit.)
- Governments adopted the OAS Anti-Drug Strategy in the Hemisphere in December 1996. The Strategy recognizes that the drug problem is multi-faceted, that all governments share responsibility for combating drugs, and the worn out labels of supplier and consumer countries are outdated.
- The United States remains committed to reducing the demand for illegal drugs. Our demand-reduction efforts have resulted in a 50 percent decline in casual drug use and a 75 percent decline in casual cocaine use. Spending on illegal drugs has declined by 33 percent in the last ten years. However, illegal drugs still kill about 20,000 U.S. citizens and cost its society some \$70 billion every year. The U.S. 1988 National Drug Control Strategy is a ten-year plan to reduce drug consumption by another 50 percent - to the lowest levels in the past thirty years. We are committed to expanding our prevention and treatment efforts while rigorously enforcing our anti-drug laws. The United States is also committed to sharing information about effective prevention and treatment with all nations in order to help reduce the hemispheric demand for illegal drugs. The President's FY 1999 recommended drug control budget of \$17.1 billion is the largest drug budget ever, and represents a \$1.1 billion increase (6.8 percent) over the FY 1998 enacted level.
- In Miami, we asked our ministers of trade to lay the groundwork for the Free Trade Area of the Americas, which by 2005 will encompass 750 million people. They have been successful, and we are ready to launch negotiations.

- Unlocking the entrepreneurial energies of our peoples has become a growing practice in the hemisphere, even the world, encouraged by the Miami Summit. The Inter-American Development Bank established a five-year, \$500 million program to promote microenterprise and small businesses in the Americas. In addition, USAID will spend \$120 million on microenterprise development over the next three years.
- At the Pan American Health Organization, an initiative was launched to eradicate measles from the hemisphere by the year 2000. Hillary Rodham Clinton was instrumental in launching the initiative, which is on track to hit its goal.
- In Miami we agreed to begin a phase out of lead from gasoline. In 1996, 12 countries in the hemisphere had eliminated leaded gasoline; by 2001, there will be 20.
- Parks rich in biodiversity were created or enlarged in Bolivia, Brazil, Peru, and Central America. We should build on such laudable efforts and strengthen our commitment to biodiversity.
- At the December 1996 Sustainable Development Summit in Santa Cruz, the hemisphere put forward its own strategy for addressing the social and economic needs of people, while protecting the environment for future generations. Vice President Gore, an international leader in this field, represented the United States. Santa Cruz action plan included: education and health; forests and agriculture; sustainable cities; water and coastal resources; and energy. Implementation of these issues continues to be at the forefront of our cooperation with the hemisphere.

Santiago Summit Deliverables:

- Building on our achievements in the last three years, and learning from our mistakes, we have the opportunity here to further define our vision of the hemisphere. We must also take new steps to push our agenda further and embrace a "second generation" of democratic, economic, and social reforms. Some of these steps include:

Education: We must prepare our people for the challenges of the 21st century. Every child has a right to the best education possible, including a well-prepared teacher, appropriate learning materials, a place to learn, adequate nutritional and health care that allow children to be ready to learn, and opportunities for early learning. We should

also recognize that learning is a lifelong challenge that prepares people for the workplace, to be good parents and good citizens.

Educational exchanges statistics: In 1996, there were 82,882 formal educational exchanges between the U.S. and Latin America. Slightly more than half of those are Latin Americans coming to the U.S.

Note: President Frei of Chile, President Cardoso of Brazil, and President Zedillo of Mexico have all promoted education as the key to development. In surveys, the American people put education at the top of their agendas as well.

Press Freedom: Freedom of speech and of the press are essential to sustain representative democracy and are fundamental for the exercise of human rights. The recent decision by the Inter-American Commission on Human Rights to appoint a full-time professional as Special Rapporteur for freedom of expression is a valuable step in promoting and protecting these rights. My government looks forward to cooperating with this new advocate for freedom of expression, and is pleased to announce an initial contribution of \$150,000 to the fund the Commission established for this purpose.

As the next essential cooperative step in this regard, we should identify the defining principles of freedom of speech and of the press and enshrine them in a hemispheric declaration.

Judicial Reform: Without rule of law, democracies cannot thrive. We have an opportunity with this Summit to strengthen our justice systems, make them truly independent and impartial, and ensure that all our people have equal access to justice. We can take steps toward these goals through the proposed Inter-American Justice Studies Center, which my government is willing to provide funding to establish.

Drug Alliance: Our countries have been working closer than ever to fight the scourge of illegal drugs. Today, we can announce to those who produce, manufacture, and market drugs that there is a new Hemispheric Alliance Against Drugs. To demonstrate our resolve, we will begin immediately to develop a new multilateral mechanism via the OAS wherein the performance of each of our countries is evaluated soberly and objectively. Once this new mechanism is established, my country will be among the first to be evaluated.

Security: We need to work together to be ready for the security challenges of the next century. We have taken a big step today by agreeing to identify ways to revitalize and strengthen Inter-American security institutions. By the next time we meet, we should be ready to take action on these recommendations, including on arms control measures that will make our nations more secure; on greater and more formal cooperation on international peacekeeping and humanitarian missions; and toward the establishment and renewal of hemispheric security institutions to promote cooperative security and transparency.

Climate Change: The creative partnerships that have been successfully forged in the Americas - more than in rest of the world combined - between developed and developing countries to mitigate greenhouse gas emissions prove to the world that all countries can work together to address this crucial global environmental problem.

Women and girls: Promoting equality of opportunities between women and men and eliminating obstacles to the full participation of women and girls in the political, economic, social and cultural lives of our countries are vital to sustainable growth, durable democracy and stronger families, which are the fabric of society. Greater prosperity must include and benefit all sectors of society; females are better than 51% of the population of our countries, but are not yet enjoying the benefit of full legal and political rights to which they are entitled. Discriminatory practices and laws must be eliminated.

FTAA: We all have a common vision of opening markets to create more high-paying jobs and rising standards of living for our peoples. That vision includes a commitment made at Miami to "make trade liberalization and environmental policies mutually supportive. We will therefore launch the negotiations for the Free Trade Area of the Americas and reaffirm our commitment to complete the negotiations by 2005 and achieve concrete progress by the end of the century. The Administration will continue to pursue fast track authority.

Labor Rights: A healthy and secure workforce is essential in ensuring that the benefits of economic growth reach all sectors of society. At this Summit, we reaffirm our commitment to promoting quality jobs for the workers of the hemisphere. This can be done

Healthier People: We will undertake a serious effort to apply the advances of the revolution in information technology to helping the sick. A new initiative in

telemedicine will bring the latest medical knowledge to the remote corners of the hemisphere.

Implementation: We have proven over the last three years that we can mount a coordinated, comprehensive effort to follow through with our commitments. Summits of the Americas will be a permanent feature of our relations, allowing leaders to chart the hemisphere's course periodically. We will call upon international organizations -- OAS, IDB, PAHO, ECLAC, and the World Bank -- as well as the private sector and civil society groups, to assist governments in carrying out the Plan of Action. The World Bank and IDB have identified \$44.4 billion in loans and AID \$983 million to support implementation.

SANTIAGO SUMMIT: EDUCATION

Education the Key to the Future:

- Education is the key to the future. Education is the first priority on my domestic agenda, and it is first on our agenda here, because we recognize that education is a key to economic growth, viable democracy, and social stability in our hemisphere.
- Today more than ever, the ticket to a child's future is the education that he or she receives. Education is opportunity. The fastest growing jobs in many of our economies are those that require solid foundation in skills, the ability to analyze problems and come up with innovative solutions, the ability to access and use new technologies. Today's students are tomorrow's citizens and our long-term investments for the future.
- It is not enough to educate the few. Quality education must be available to all. It is crucial to send the message that ALL students can learn, that ALL children have the right to aspire to high standards. We need to send a message to every child -- you are important, your education is important, and if you work hard, you will have the chance to learn.
- We need to reach kids young. Research shows that significant changes take place in the brain at the earliest stages of life, and a child's early environment is critical. S/he needs to be talked to, sung to, shown pictures....
- Education is the responsibility of the entire community. This is why, in the United States and elsewhere, there is growing interest in developing partnerships with parents, businesses, and other members of the community to support schools. The school cannot go it alone.
- School is a place where young people can learn about living together in tolerance. They learn that the world is filled with people of different races, who speak different languages and hold different beliefs. Today, children enter U.S. schools speaking more than 100 languages. We need to teach them early that this diversity is a great source of richness, not a source of conflict.

Benefits of International Cooperation in Education:

- International cooperation can be a powerful tool for educational reform; it has helped us in the United States to

know what we need to do to improve education. Our participation in the Third International Math and Science Study -- TIMSS -- for example, showed us that we were doing at least an average job at getting our fourth graders to understand concepts in science and math, but that by the time they get to eighth grade they've slipped, and at 12th grade they are near the bottom in mathematics. With these comparisons, we can't fool ourselves. Sometimes the message is painful, but we need to hear that message in order to improve. The purpose of comparisons is not to (denigrate) those at the bottom. The purpose is to help everyone get better.

- Education is an area in which we can learn so much from each other. Many of you are trying to decrease repetition rates in primary schools at the same time that we are moving somewhat in the opposite direction -- to decrease what we call "social promotion." If we study this problem together, we can come up with strategies that let children who are behind catch up and move forward.
- Progress made in education in many parts of the Americas is impressive. Here in Chile, you have taken a truly systemic approach to education reform. You know there is no "silver bullet," but when action is taken on many fronts with the goal of improving students' learning -- curriculum, teacher preparation, infrastructure, and putting adequate resources in the schools and communities where they are most needed -- we can make impressive strides forward.
- We are building the Americas of the 21st century, in which all sorts of barriers are falling. To meet the challenge, we need to increase the opportunities not just for goods to flow freely from country to country, but for our citizens to know more about one another.

The Summit Should Result in Action:

- I enthusiastically support the four principles laid out in the Plan of Action: equity, quality, relevance, and efficiency are truly the benchmarks of an effective education system anywhere in the world.
- Building on the Summit's education initiative, we want to see concrete outcomes. When we or our successors meet at the Third Summit, we want to be able to say that together we have done something to improve the lives of our people through better education.

- We must commit ourselves, and our Ministers and Secretaries of Education, to focus efforts on both national and multilateral initiatives to improve educational outcomes. I know that good people representing our governments have been working very hard already on this. There are some very good ideas on the table. I would list just a few:
- We must establish systems to evaluate -- and improve -- educational quality. When parents know how well their students and schools are doing, and how well they need to do, they will support -- indeed they will demand -- better education for their children. In the United States, 18 states now require schools to report to parents and the community by issuing their own report cards detailing student achievement. These report cards tell parents about reading and math scores, school safety, attendance, so they can judge whether things are as they should be and getting better, or not. We would be happy to share our experience.
- The teacher is at the center of learning, yet many of us come up short in the way we prepare and support our teachers. We must pledge as governments to significantly improve preparation for teachers and for school managers. We should also join together to support regional resource centers to help provide up to date information to teachers on "what works" to help students learn.
- We should, both domestically and as a hemisphere, promote access to new technologies in the service of learning -- putting emphasis on making learning with appropriate technologies available to all children in remote and/or disadvantaged areas. In the U.S., we've pledged to connect all schools to the Internet by the year 2000, and enlisted businesses and volunteers in the effort to reach this goal.
- We should work together to instill the values of tolerance and democracy, and to increase opportunities for all of our citizens to meet, work, and learn together, through exchanges and internships.
- Finally, I believe each education system should design its "Bill of Educational Rights" for every child. We know what is essential for children's learning -- early exposure to learning, adequate nutrition and health care so they come to the classroom door ready to learn, a good teacher, a place to learn, and well-designed learning materials -- which may range from textbooks to hands-on experiments to radios or computers.

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CHILE: SPEECH TO CHILEAN CONGRESS

Chile: Increasingly Important International Political Actor

- Leadership in UN Security Council activities, such as peace keeping efforts (UNSC term ended in Jan. 98)
- Chilean Air Force helicopters and personnel with UNSCOM helped with UN Iraq sanctions monitoring and provided, at last count, 5 helos and 41 people.
- Carabineros (Chilean national uniformed police force) are participating in Bosnia peace keeping and numbered, at last count, 31.
- Chile joins us as a "Friend" of Haiti

Leadership In The Region

- U.S. and Chilean armed forces join other neighbors in a peacekeeping entity working together on a daily basis to keep the peace in MOMEPA (Ecuador-Peru).
- Guarantor of the Peru-Ecuador peace process.
- Host of the Second Summit of the Americas

Chile: A Political Model For Democratic Reforms

- Further strengthening democratic institutions.
- An ambitious and promising judicial reform.
- Social welfare through empowerment (i.e., low-cost housing programs through mortgage assistance, pension reform).
- Implementing education reform, with emphasis on primary and secondary education and adult literacy.
- Instituting an environmental regime that incorporates public participation as integral part of the environmental approval process.
- Chile is the only Latin American country participating in the RIMPAC Exercises, having sent both a submarine and a surface ship to this Pacific Rim military cooperation exercise.

- Chilean and U.S. forces will also exercise together, along with neighbors in the region, during UNITAS, Fuerzas Unidas, RED FLAG, and TEAMWORK SOUTH.

Chile: An Increasingly Important Economic Actor

- Chile's market-oriented policies have made impressive economic gains, particularly in the last decade. Many Latin countries see Chilean government management of economic reforms as an hemispheric success story and model. Chile's economy has grown at an average rate of almost 8 percent since the beginning of the decade.
- Chile's individually capitalized pension system has been a model not only in Latin America, where 7 countries have adopted similar reforms already, but throughout the world. Chile's model is one that U.S. policy makers are studying to strengthen our own social security system. We understand other developed countries facing problems in their retirement systems are also looking closely at Chile's system.

Chile: Deeply Integrated In World Economy

- Chile is among the top ten users of Panama Canal.
- It supplies nearly 30 percent of the world's copper production but Chile boasts an increasingly diversified array of exports and trading partners.
- Chile has forged ahead with a wide range of bilateral and regional free trade agreements, including ones with Canada, Mexico and Mercosur, laying a solid base for the Free Trade Area of the Americas, which we'll be launching in the Summit this weekend.
- Chile is a major Latin American gateway to the Pacific.
- Valparaiso, pronounced (val-par-ah-ee-so) is the location of Chilean Congress. Historically, Valparaiso was a vital port of call for ships traveling between our own east and west coasts.

(CAUTION: The Chilean Congress was relocated from Santiago to Valparaiso by the Pinochet regime in an attempt to diminish the role and power of the legislative branch. Some Chileans harbor continuing resentment and want to move it back to Santiago.)

- Chile was the first South American country to become a full member of the Asia-Pacific Economic Cooperation (APEC) forum and has been a strong market champion in the Pacific region.
- Chile's solid economic policies helped it successfully weather the Mexican peso crisis in early 1995. Despite Chile's high level of trade with the Pacific region, it has withstood the Asian financial crisis well, and the prospects for strong economic growth in 1998 remain good.

Chile Is An Important U.S. Trading Partner

- Some have charged the United States with protectionism in light of legal actions that have been taken here against Chilean imports (i.e., salmon, wood, mushrooms). We continue to explain to Chileans that such trade irritants that come up from time to time are a natural consequence of the expansion in trade between our countries and reflective of the protective/relief mechanisms built into the global marketplace.
- On trade, numbers speak louder than words - overall Chile-U.S. trade has grown at an average of over 13 percent a year since 1993. Even in the specific sectors that have been the focus of recent trade irritants -- agricultural, fish and forestry products -- trade increased 14 percent per year between 1993 and 1997. For their part, Chilean agricultural exports to the United States increased by 9 percent in 1997 alone.
- Institutionalization of dialogue mechanisms such as the Chile-U.S. Consultative Committee on Agriculture help us to more effectively prevent and resolve trade-related differences.
- I had hoped to gain Fast Track authority and be able to begin free trade agreement negotiations with Chile by this time. I am disappointed that Congress has not given us this authority and my administration is committed to getting it so we can move ahead on our trade agenda. We appreciate that Chile has forged ahead with other bilateral and regional agreements to open markets in the hemisphere, and we will work closely with Chile to realize an FTAA by 2005.
- Over the last 5 years, U.S. companies have invested hundreds of millions of dollars in Chile. Chilean companies, in turn, are investing in the United States, and we welcome them and their know-how.
- One reason trade and investment between Chile and the United States have grown so strongly in recent years is that members

of the Chilean-American Chamber of Commerce have worked hard to support those ties. We appreciate the work they do for both our countries.

Chile: Summit Themes/Strong Relations Go Well Beyond Our Economic Ties

- The oldest Fulbright cousin in Latin America gets a new face. We are developing a new Fulbright agreement that will greatly increase the resources for the program and offer much wider exchange opportunities to students and scholars of both countries. It's a unique agreement that makes Chile a full partner in the management and financing of the program.
- We are delighted to be part of Chile's educational reform process. Chilean teachers have already been to the United States for advanced in-service training in new pedagogical methods.
- Beyond official government-sponsored academic exchanges, privately-organized exchanges between U.S. and Chilean universities, students and scholars are increasingly important. We welcome 1,000 Chilean students to U.S. universities, and a similar number of U.S. students are studying and conducting research in Chile. We are grateful to Chile's universities and other centers of research and learning for opening their doors to U.S. scholars to expand their horizons and to forge new professional linkages with their counterparts.
- The Instituto Chileno-Norteamericano has been working for decades to support these and other similar ties between our people and we applaud their efforts.
- I am delighted that the U.S. Department of Justice, together with U.S. judges, law professors and other professionals have worked closely - and continue to work - with your Ministry of Justice and faculties of law to develop and implement your program of judicial reform.
- We have had, with the help of the Inter-American Development Bank (IDB), a program of technical cooperation between the EPA and the National Environmental Commission (CONAMA), and we hope to be able to continue to work with the IDB and Chile on environmental issues.
- Your Ministry of Health has been coordinating closely with our Center for Disease Control in Atlanta on Hanta virus research and prevention. This cooperation has helped both countries

increase our knowledge about the disease and enhance our ability to respond effectively to it.

- Through a successful consortium of U.S., Canadian, Mexican and Chilean universities, our National Science Foundation has operated the Cerro Tololo Inter-American Observatory. Yesterday (April 17) was the groundbreaking day for a second telescope, with a primary mirror four meters in diameter. These joint astronomy projects represent the largest Inter-American science investment in Chile. With its exceptionally clear skies in the north, Chile has enabled us to reach for the stars.
- Astronaut Franklin Chang-Diaz, director of the Johnson Space Center's Advanced Space Propulsion Laboratory, has promoted joint collaboration with Latin American Universities, particularly in Costa Rica and Chile, to find a cure for Chagas disease. The protein crystals involved in this research project have been aboard three space shuttles and will go again this May on a mission with Chang-Diaz. The Universidad de Santiago de Chile and the Universidad Catolica del Norte are collaborating on this project which is also sponsored by your own Foreign Ministry.
- Our U.S. Geological Survey is concluding a Memorandum of Understanding with the South American Regional Seismic Research Center (CERESIS) that will improve cooperation on seismic research to help reduce risk from earthquakes, landslides, tsunamis and volcanic eruptions.
- Through the U.S. Department of Energy, we have helped support a consortium of Spanish-speaking universities in Chile, Mexico, Puerto Rico and Texas which are working together to promote environmental education and research.
- High level annual bilateral defense consultations between Chile and the United States were begun in 1996, with the most recent having taken place in Santiago last November. This Defense Consultative Commission has been a successful forum for frank discussions on military-to-military cooperation, the development of civilian leaders for national defense, and science and technology. We've also had annual meetings between the U.S. Joint Staff and the National Defense Staff for the past fifteen years, helping improve exercises and personnel and information exchange programs between our Armed Forces.
- All three of our Armed services enjoy a wide range of personnel exchange programs with their Chilean counterparts. Chilean and American officers attend academic and operational

courses in each others' country. During the course of this year, for example, U.S. military groups visiting Chile will include: the flag level CAPSTONE course, the National War College, the Industrial College of the Armed Forces, the Air War College, the Defense Orientation Conference Association, as well as the Chief of Staff of the Air Force and the Chief of Naval Operations.

- High level exchanges concerning international political/military issues have also been held. The U.S. and Chile conducted its first in a series of annual "Global Security Dialogues" this past January.
- Secretary of State Albright met with her counterpart, Foreign Minister Jose Miguel Insulza, in February, August and September 1997. Secretaries Rubin, Daley and Glickman all visited Chile last year.

CULTURAL REFERENCES

"**al tiro**" (ayl-teero)- in a shot - meaning I'll do it "right away"

[Note: Embassy Santiago strongly recommends use of this "Chile-ism" to give strong emphasis to a point during the speech in Congress.]