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President Clinton's Trip to Venezuela, Brazil and Argentina October 1997

PRESS KIT

PRESIDENT CLINTON'S TRIP TO VENEZUELA, BRAZIL, AND ARGENTINA

OCTOBER, 1997

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Caracas, Venezuela: Sunday, October 12

Caracas, Venezuela

Diego de Losada founded Caracas in 1567 and named it Santiago de Leon de Caracas. He never could have imagined, however, that it would become such a big city, marked by the presence of millions of people. Caracas is a place where past and present merge harmoniously, making it one of Latin America's most special and attractive cities. The forests and Avila Mountain have remained virtually untouched over the centuries, protecting the city that has gradually expanded along the valley. Ten years after its foundation, Caracas was already an important administrative, military and religious center sought out for its great commercial possibilities and proximity to the port of La Guaira. The Royal and Pontifical University of Venezuela, now the Central University of Venezuela, was created in 1722 and with it came an era of cultural and economic progress. At this time, precarious houses around the Plaza Mayor were demolished and replaced by residences of large portals and hallways.

Arrival Ceremony
La Carlotta Airbase

Upon arrival at La Carlotta Airbase, President Caldera will greet The President and First Lady. In his arrival remarks The President is expected to praise the Venezuelan people for their extraordinary success in strengthening democracy and the rule of law.

La Carlotta Airbase is also known as the Generalisimo Francisco de Miranda Airbase, named for General de Miranda who served as an army officer with Napoleon in the early 1800s, and brought back to Venezuela, then a Spanish colony, many of the ideas of the French Revolution which had penetrated Spain. In 1811, he initiated an insurrection in Valencia, Venezuela (95 miles west of Caracas). He later served under Simon Bolivar in the wars of independence.

Following their arrival remarks, Presidents Clinton and Caldera will review a cordon of troops.

Remarks to American Embassy Community
United States Embassy Ballroom

Following remarks by Ambassador Maisto and Secretary of State Albright and the First Lady, The President will speak to the American Embassy community. The U.S. Embassy in Caracas has 139 American employees and 174 Venezuelan employees.

Bilateral Meeting with President Caldera
President's Office, La Casona

The two Presidents are expected to discuss the close U.S.-Venezuela partnership on a variety of issues including the development of clean and reliable energy supplies, the U.S.-Venezuelan joint alliance against drugs and crime, and Venezuela's longstanding commitment to democracy.

In 1996, Venezuela replaced Saudi Arabia as the top supplier of foreign oil to the United States. Venezuela possesses the world's largest proven reserves of extra heavy oil.

La Casona

The President's residence, known as La Casona (which literally means the "big house") is a colonial style manor surrounded by 30 acres of sugar fields. The original owner of the house was the Marques de Mijares family. In 1928, Alfredo Brandt, brother of painter Federico Brandt, purchased the house and named it La Casona.

During the 1959-64 term of President Romulo Betancourt, the Venezuelan government bought and began to renovate the house. President Rul Leoni was the first President to occupy the house (1966). In 1973, President Caldera, during his first term as President, opened the house to the public one day a week; this tradition continues.

State Dinner
La Casona

President and Mrs. Caldera will greet The President and First Lady upon arrival at La Casona, followed by a tour of La Casona led by President Caldera. Cocktails and a state dinner will follow the tour.

In his remarks at the state dinner, President Clinton is expected to applaud the strength of Venezuela's democracy, and praise the courageous economic reforms undertaken in recent years. The President may also celebrate the U.S.-Venezuela partnership in combating threats to democracy such as narco-trafficking.

Monday, October 13, 1997
Caracas, Venezuela
Brasilia, Brazil

Energy and Business Leaders Meeting
Hilton Hotel

Following an introduction by Special Envoy Mack McLarty, The President will speak briefly before an assembly of energy and business leaders.

Signing with President Caldera
Miraflores Palace

Following the signing of agreements by Secretary of State Albright and Secretary of Energy Pena, The President will make a brief statement.

Miraflores Palace

The Palacio de Miraflores was designed by Spaniard Juan Bautista Sales and built in 1887. It is considered French neo-baroque in design, despite its Italianate interior garden. The palace is known for *a la Mansard* ceilings that the split the building into six quadrilateral arcades, which join at a central patio. The palace was built with Italian marble and Spanish brass. The palace's mirrors were imported from France. Venezuelan masters Arturo Michelena, Tito Salas, Cristobal Mendoza and Martin Tovar y Tovar, created the paintings and murals in the palace.

The Venezuelan government bought the private residence in 1911 and it has served as the working office for every Venezuelan president since then.

Wreath Laying Ceremony
El Panteon

Following the bilateral meeting and signing ceremony with President Caldera, President Clinton will lay a wreath at the tomb of Simon Bolivar, the hero of Venezuelan independence and a symbol of aspirations for South American integration.

Following the laying of the wreath, the National Youth Orchestra of Venezuela will perform. The National Youth Orchestra was formed in 1975, and is comprised of children 7 to 14 years old. Most of these young musicians come from poor families, and would not have the opportunity to learn to play an instrument were it not for the National Youth Orchestra and its counterparts at the state and local level. Approximately 250 children will play at this ceremony.

El Panteon

El Panteon is a revered site containing the remains of Simon Bolivar and many of Venezuela's other founding fathers. The Pantheon was constructed in the 19th century when Bolivar's remains were transferred from Colombia to Venezuela. The Pantheon looks like a church, and its internal layout is in the form of a cross with Bolivar's sarcophagus mounted on a raised altar-like area.

Bolivar, also known as "El Libertador" for leading the fight to end Spanish colonial rule in Venezuela, Colombia, Ecuador and Peru, promoted French and American ideals of political equality. He is also known for his efforts to create a politically integrated region encompassing all the Andean countries, a vision that still inspires South America.

Remarks to the Citizens of Caracas
El Panteon Plaza

President Clinton is expected to use this speech to celebrate the U.S.-Venezuela partnership against drugs, crime, and corruption and to complement Venezuela's longstanding commitment to democracy, their embrace of free markets, and the determination of the Venezuelan people to make racial diversity a national virtue.

Following his remarks The President will travel to La Carlotta Airbase for a departure ceremony and the flight to Brazil.

U.S. Department of State

Background Notes: Venezuela, September 1997

Released by the Bureau of Inter-American Affairs.

Official Name: Republic of Venezuela

PROFILE

GEOGRAPHY

Area: 912,050 sq. km. (352,143 sq. mi.); about the size of Texas and Oklahoma combined.
Cities: Capital--Caracas (metropolitan area population est. 2.8 million, 1990 census). Other major cities--Maracaibo, Valencia, Barquisimeto.
Terrain: Varied.
Climate: Varies from tropical to temperate, depending on elevation.

PEOPLE

Nationality: Noun and adjective--Venezuelan(s).
Population (1996 est.): 22.3 million.
Annual growth rate (1985-95 est.): 2.2%.
Ethnic groups: Spanish, Italian, Portuguese, Arab, German, African, indigenous peoples.
Religions: Roman Catholic 96%.
Languages: Spanish (official), numerous indigenous dialects.
Education: Years compulsory--9. Literacy--91%.
Health: Infant mortality rate--26.5/1,000. Life expectancy--73.31 yrs.
Work force (about 8.8 million in 1996): Services--64%. Manufacturing--13%. Agriculture--13%. Construction--8%. Other--2%

GOVERNMENT

Type: Federal republic.
Independence: July 5, 1811.
Constitution: January 23, 1961.
Branches: Executive--president (head of government and chief of state; five-year term); Council of Ministers (cabinet).
Legislative--bicameral congress (203-member Chamber of Deputies, 53-member Senate) elected for five-year term.
Judicial--18-member Supreme Court.
Subdivisions: 22 states, one federal district (Caracas), and one federal dependency (72 islands).
Major political parties: Democratic Action (Accion Democratica--AD), Social Christian (Comite Organizador Politico por Elecciones Independientes--COPEI), Convergencia (President Caldera's party), the Radical Cause (Causa R), and the Movement to Socialism (Movimiento al Socialismo--MAS).

ECONOMY

GDP (1996 est.): $65 billion.
Growth rate (1996): -1.6%
GDP per capita: $2,900.
Natural resources: Petroleum, natural gas, coal, iron ore, gold, other minerals, hydroelectric power, bauxite.
Agriculture (5% of GDP): Products--rice; coffee; corn; sugar; bananas; dairy, meat, and poultry products.
Petroleum industry (25% of GDP): oil refining, petrochemicals.
Manufacturing (21.5% of GDP): Types--iron and steel, paper products, aluminum, textiles, transport equipment, consumer products, and petroleum refining.
Trade (1996 est.): Exports--$22.8 billion: petroleum ($18.2 billion), iron ore, coffee, steel, aluminum, cocoa.
Major markets--U.S. (55%), Japan, Germany, Colombia, Netherlands, Brazil, Italy. Imports--$10.6 billion: machinery and transport equipment, manufactured goods, chemicals, foodstuffs. Major suppliers--U.S. (45%), Japan, Germany, France, Canada, Italy, Colombia, Brazil.
Exchange rate (12/96): 477 bolivars = U.S. $1.

U.S.-VENEZUELAN RELATIONS

U.S. relations with Venezuela are close. The two countries share a strong mutual commitment to democracy. As the U.S. number-one supplier of foreign oil, Venezuelan commercial ties are close. Major U.S. interests in Venezuela include protection and promotion of U.S. exports and investment; continuation of the economic reform program; preservation of constitutional democracy; closer counternarcotics cooperation; and maintaining access to a leading source of foreign petroleum.

The United States is Venezuela's most important trading partner, representing approximately half of both imports and exports. In turn, Venezuela is the U.S. third-largest export market in Latin America, purchasing U.S. machinery, transportation equipment, agricultural commodities, and auto parts. Venezuela's opening of its petroleum sector to foreign investment in 1996 created tremendous trade and investment opportunities for U.S. companies. The Department of State is committed to promoting the interests of U.S. companies in overseas markets. Contact information and a list of government publications can be found in the section "Other U.S. Government Contacts" toward the end of this document.

Venezuela is a minor source country for opium poppy and coca, but a major transit country for cocaine and heroin. Money laundering and judicial corruption are major concerns. The United States is working with Venezuela to combat drug trafficking. In FY1997, the United States allocated $600,000 for counternarcotics assistance and about $350,000 through the International Military Education and Training (IMET) program. In addition, the United States plans to deliver excess U.S. military equipment worth $12.25 million to the Venezuelan armed forces for counternarcotics use. There is no U.S. Agency for International Development (USAID) or Peace Corps mission in Venezuela.

Approximately 23,000 U.S. citizens living in Venezuela have registered with the U.S. embassy, an estimated three-quarters of them residing in the Caracas area. An estimated 12,000 U.S. tourists visit Venezuela annually. About 500 U.S. companies are represented in the country.

PEOPLE AND HISTORY

Most Venezuelans are of European, indigenous, and/or African descent. About 85% of the population lives in urban areas in the northern portion of the country. While almost half of Venezuela's land area lies south of the Orinoco River, this region contains only 5% of the population.

The indigenous peoples ranged from agriculturists to less advanced groups living on islands offshore. The first permanent Spanish settlement in South America--Nuevo Toledo--was established in Venezuela in 1522. However, Venezuela was a relatively neglected colony in the 1500s and 1600s as the Spaniards focused on extracting gold from other areas of their empire in the Americas.

The Venezuelans began to grow restive under colonial control toward the end of the 18th century. After several unsuccessful uprisings, the country achieved independence from Spain in 1821 under the leadership of its most famous son, Simon Bolivar. Venezuela, along with what are now Colombia, Panama, and Ecuador, was part of the Republic of Gran Colombia until 1830, when it separated and became a sovereign country.

Much of Venezuela's 19th century history was characterized by periods of political instability, dictatorial rule, and revolutionary turbulence. The first half of the 20th century was marked by periods of authoritarianism--including dictatorships from 1908-1935 and from 1950-1958. The Venezuelan economy shifted from a primarily agricultural orientation to one centered on petroleum production and export after the First World War.

Since the overthrow of Gen. Marcos Perez Jimenez in 1958, Venezuela has enjoyed an unbroken tradition of civilian democratic rule marked by the military's withdrawal from direct involvement in national politics. Until 1993, when Rafael Caldera won the presidential election on a coalition "Convergence" ticket, the presidency had passed back and forth between the country's main political parties, Accion Democratica (AD) and the Christian Democratic (COPEI) Party.

GOVERNMENT

The president is elected by a plurality vote with direct and universal suffrage. The term of office is five years, and a president cannot be re-elected until at least two terms have been served by others. The president decides the size and composition of the cabinet and makes appointments to it with the involvement of the congress. The executive branch initiates most legislation, which the legislature debates and approves, alters, or rejects. The congress has the authority to override a presidential veto, but the president can also ask the congress to reconsider the portions of bills found objectionable.

The congress is bicameral, and elections for the Senate and the Chamber of Deputies are held at the same time every five years. Until 1993, voters cast ballots for a party list of candidates. The 1993 national election permitted, for the first time, the direct election of one-half of the Chamber of Deputies by name and district. When the congress is not in session, its delegated committee acts on matters relating to the executive and in oversight functions.

All courts in Venezuela are part of the federal system. The 18 members of the Supreme Court of Justice are elected by a joint session of the congress to nine-year terms; one-third of the court is elected every three years, and each justice can serve only one term. The Judicial Council oversees the selection of judges to the lower civilian courts, which include district courts, municipal courts, and courts of first instance.

National Security

The armed forces number 80,000 personnel in four service branches--army, navy (including the marine corps), air force, and the Armed Forces of Cooperation (FAC), commonly known as the national guard.

Principal Government Officials

President--Rafael CALDERA
Foreign Minister--Miguel Angel BURELLI RIVAS
Ambassador to the United States--Pedro Luis ECHEVERRIA
Ambassador to the United Nations--Ramon ESCOVAR-SALOM
Ambassador to the OAS--Francisco PAPARONI

The Venezuelan Embassy in the United States is located at 1099 30th St. NW, Washington, DC 20007 (tel. 202-342-2214). Venezuela maintains consulates in Boston, Chicago, Houston, Miami, New Orleans, New York, San Francisco, and Puerto Rico.

POLITICAL CONDITIONS

Venezuela's history of free and open elections since 1958 and its prohibition of military involvement in national politics earned it a reputation as one of the more stable democracies in Latin America. But the country suffered a series of political and economic crises at the beginning of this decade which culminated in a temporary suspension of constitutional rights in 1994-95. The current government has returned political stability and social peace to Venezuela.

Venezuela experienced political turbulence in response to a 1989 economic austerity program launched by then President Carlos Andres Perez. Disgruntled military officers unsuccessfully mounted two coup attempts in 1992 and, in 1993, Congress impeached Perez on corruption charges. President Rafael Caldera was elected in December 1993. His administration's primary concerns were economic problems, particularly a financial crisis in 1994 and, in 1996, it introduced a new economic plan, the "Agenda Venezuela," to liberalize Venezuela's economy and promote economic growth.

The economic and financial crisis in 1994 led to restrictions on some civil liberties. President Caldera gave the police the power to detain people and enter homes without warrants and to seize property without compensation.

When the Congress voted to restore civil liberties in July 1994, the President signed a decree suspending them again. He then challenged the Congress to put the matter to a national referendum; congressional leaders agreed to uphold the President's decree. Full civil liberties were restored in July 1995, except in some border areas.

Despite these conditions, Venezuela's political and electoral system in recent years has become more open. The 1993 presidential elections, won by Caldera's coalition, were the first since democracy was re-established in 1958 that were not won by the two major political parties. In addition, half the members of the Chamber of Deputies were directly elected for the first time in 1993. This reform resulted in a national congress comprised of five main political forces of roughly equal size, in contrast to the AD- and COPEI-dominated political system of the recent past.

Venezuela's armed forces have rejected a direct role in national politics since 1958. Civil-military relations in Venezuela are good. The two 1992 coup attempts failed because senior military commanders remained loyal to civilian authorities and suppressed the rebels.

On the local level, the decentralization of power from the national government to state and municipal authorities began in 1989 with the direct election of governors, state legislators, mayors and city council members every three years. Until that year, governors had been appointed by the president.

ECONOMY

Venezuela is rich in oil and other mineral resources. Its per capita income is about average for Latin America. The country's public external debt (excluding the obligations of the central bank and the parastatal oil company Petroleos de Venezuela, S.A., known as PDVSA) stood at approximately $26.5 billion in 1996. The economy contracted by 1.6% in real terms in 1996. It is expected to recover and post positive growth of at least 3% in 1997. Consumer prices rose a record 103% in 1996 because of the lifting of foreign exchange and price controls. The government is hoping for inflation of 25%-30% during 1997.

The Venezuelan economy is making a comeback under the Agenda Venezuela, propelled primarily by the opening of the petroleum sector to foreign investment (the apertura), a far-reaching privatization program, and plans to reform public sector operations. Buoyed by higher than anticipated oil revenues and privatization proceeds, Venezuela registered a budget surplus for 1996 through increased sales taxes and domestic fuel prices.

In July 1996, the Venezuelan Government and the IMF formally announced a $1.4 billion stand-by loan. The World Bank and Inter-American Development Bank are also contributing to efforts to promote fundamental structural reforms -- in the judiciary, electoral system, and social security/severance pay programs.

Petroleum and Other Resources

Venezuela's economy is dominated by petroleum, and the country is a founding member of the Organization of Petroleum Exporting Countries (OPEC). In 1995, this sector accounted for a quarter of GDP, almost three-quarters of export earnings, and almost half of the central government's revenues. Most of Venezuela's energy exports consist of crude oil, but the country is also the United States' leading foreign source of refined petroleum products.

The Government of Venezuela has opened up much of the hydrocarbon sector to foreign investment, promoting the establishment of massive new petrochemical joint ventures and reactivation of inactive fields. The Venezuelan petroleum corporation and foreign oil companies signed eight contracts for exploration and production joint ventures in July 1996. These contracts are expected to generate over $15 billion in foreign investment.

A range of other natural resources, including iron ore, diamonds, coal, bauxite, hydroelectric power, gold, and nickel are in various stages of development. In 1996, CVG, the state-owned mining firm, announced its first joint venture with a foreign company to develop the Las Cristinas gold mine. Congress is also considering legislation which would update Venezuela's 1945 mining law in an effort to encourage greater private sector participation in mineral extraction.

Manufacturing, Agriculture, and Trade

Manufacturing contributed 21.5% of GDP in 1996. The manufacturing sector contracted in 1996 due to decreased aggregate demand, the devaluation of the bolivar, and tight foreign exchange controls in place until April 1996. Venezuela manufactures and exports steel, aluminum, textiles, apparel, beverages, and foodstuffs. It also produces cement, tires, paper, and fertilizers, and assembles cars for both the domestic and export market. The "Agenda Venezuela" envisions the privatization of a range of state-owned enterprises, including banks.

Agriculture accounts for 6% of GDP, 12% of the labor force, and 24% of Venezuela's land area. In 1996 this sector grew by approximately 2%-3% in volume terms. Venezuela exports beef, rice, coffee, and cocoa. However the country is not self-sufficient in most areas of agricultural production and imports about 60% of food consumed. In 1996, U.S. firms exported approximately $475 million of agricultural products including wheat, soybeans, corn, soymeal, and cotton to Venezuela, our third-largest agricultural export market in Latin America. The U.S. usually accounts for slightly more than a third of Venezuela's food imports.

Thanks to petroleum exports, Venezuela usually posts a trade surplus. In recent years, non-traditional (i.e. non-petroleum) exports have been growing rapidly but still constitute only about one-fourth of total exports. The United States is Venezuela's leading trade partner. In 1996, the United States posted $4.7 billion in exports (about 45% of Venezuela's total imports) and purchased $12.9 billion in imports (about 55% of Venezuela's total exports). Venezuela's trade with other Andean Pact members, particularly Colombia, is growing in importance.

Labor and Infrastructure

Venezuela's labor force of about 8.8 million is growing faster than total employment. At the end of 1996, official unemployment was 13%, but unofficial estimates are higher. The public sector employs 14% of the work force, while less than 1% work in the capital-intensive oil industry. About 25% of the labor force is unionized. Unions are particularly strong in the public sector.

Venezuela has an extensive road system. With the exception of air service, transportation and communications have failed to keep pace with the country's needs. Much of the infrastructure suffers from inadequate maintenance. Caracas has a modern subway, but only one functioning rail line serves the rest of the country.

FOREIGN RELATIONS

Venezuela traditionally has said that its international conduct will be governed by:

- Respect for human rights;
- The right of all peoples to self-determination;
- Non-intervention in the internal affairs of other nations;
- Peaceful settlement of disputes between nations, including border disputes;
- The right of all peoples to peace and security; and
- Support for democracy.

The Caldera Government has made hemispheric cooperation and integration its foreign policy priorities. Venezuela worked closely with its neighbors following the Summit of the Americas in many areas, particularly energy integration, and championed the OAS decision to adopt an Anti-Corruption Convention. Venezuela also participates in the UN Friends of Haiti, of El Salvador and of Guatemala groups. It is pursuing efforts to join the Mercosur trade bloc to expand the hemisphere's trade integration prospects.

Venezuela has long-standing border disputes with Colombia and Guyana, but seeks to resolve them peacefully. Bilateral commissions have been established by Venezuela and Colombia to address a range of pending issues, including resolution of the maritime boundary in the Gulf of Venezuela. Relations with Guyana are complicated by Venezuela's claim to over half of Guyana's territory. Since 1987, the two countries have held exchanges on the boundary under the auspices of the "good offices" of the United Nations.

Principal U.S. Embassy Officials
Ambassador--John Maisto
Deputy Chief of Mission--John Keane
Political Counselor--Thomas Shannon, Jr.
Economic Counselor--Perry Ball
Commercial Attaché--Eric Sletten
Consul General--Marilyn Jackson
Administrative Counselor--John Collins
Regional Security Officer--Henry Jenkins
Public Affairs Counselor--Nicholas Robertson
MILGP--Col. William Hunter
Narcotics Assistance Section--Michael Corbin

The U.S. embassy is on Calle F and Calle Suapure, Colinas de Valle Arriba, Caracas (tel. 58-2-977-2011). Office hours are 8 am to 5 pm, Monday through Friday.

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country. **Consular Information Sheets** exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country. **Public Announcements** are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American travelers. Free copies of this information are available by calling the Bureau of Consular Affairs at 202-647-5225 or via the fax-on-demand system: 202-647-3000. Travel Warnings and Consular Information Sheets also are available on the Consular Affairs Internet home page: http://travel.state.gov and the **Consular Affairs Bulletin Board (CABB)**. To access CABB, dial the modem number: (301-946-4400 (it will accommodate up to 33,600 bps), set terminal communications program to N-8-1 (no parity, 8 bits, 1 stop bit); and terminal emulation to VT100. The login is **travel** and the password is **info** (Note: Lower case is required). The CABB also carries international security information from the Overseas Security Advisory Council and Department's Bureau of Diplomatic Security. Consular Affairs Trips for Travelers publication series, which contain information on obtaining passports and planning a safe trip abroad, can be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954; telephone: 202-512-1800; fax 202-512-2250.

Emergency information concerning Americans traveling abroad may be obtained from the Office of Overseas Citizens Services at (202) 647-5225. For after-hours emergencies, Sundays and holidays, call 202-647-4000.

Passport Services information can be obtained by calling the 24-hour, 7-day a week automated system ($.35 per minute) or live operators 8 a.m. to 8 p.m. (EST) Monday-Friday ($1.05 per minute). The number is 1-900-225-5674 (TDD: 1-900-225-7778). Major credit card users (for a flat rate of $4.95) may call 1-888-362-8668 (TDD: 1-888-498-3648)

Travelers can check the **latest health information** with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at (404) 332-4559 gives the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled *Health Information for International Travel* (HHS publication number CDC-95-8280) is available from the U.S. Government Printing Office, Washington, DC 20402, tel. (202) 512-1800.

Information on **travel conditions, visa requirements, currency and customs regulations, legal holidays, and other items of interest to travelers** also may be obtained before your departure from a country's embassy and/or consulates in the U.S. (for this country, see "Principal Government Officials" listing in this publication).

U.S. citizens who are long-term visitors or traveling in dangerous areas are encouraged to register at the U.S. embassy upon arrival in a country (see "Principal U.S. Embassy Officials" listing in this publication). This may help family members contact you in case of an emergency.

Further Electronic Information:

Department of State Foreign Affairs Network. Available on the Internet, DOSFAN provides timely, global access to official U.S. foreign policy information. Updated daily, DOSFAN includes *Background Notes*; *Dispatch*, the official magazine of U.S. foreign policy; daily press briefings; *Country Commercial Guides*; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at http://www.state.gov.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on a semi-annual basis by the U.S. Department of State, USFAC archives information on the Department of State Foreign Affairs Network, and includes an array of official foreign policy information from 1990 to the present. Contact the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. To order, call (202) 512-1800 or fax (202) 512-2250.

National Trade Data Bank (NTDB). Operated by the U.S. Department of Commerce, the NTDB contains a wealth of trade-related information. It is available on the Internet (www.stat-usa.gov) and on CD-ROM. Call the NTDB Help-Line at (202) 482-1986 for more information.

Other U.S. Government Contacts:

Department of State:
Inter-American Affairs, Venezuela Desk 202/647-3023
Overseas Citizens Services 202/647-5225
Department of Commerce:
International Trade Administration
Office of Latin America and the Caribbean Venezuela Desk
14th and Constitution, NW
Washington, DC 20230
Tel: 202/482-0475
800-USA-TRADE
Fax: 202-482-4464
E-Mail: http://www.ita.doc.gov

Private Sector Contacts:
Venezuelan-American Chamber of Commerce
Torre Credival, Piso 10
2da Avenida de Campo Alegre
Campo Alegre; Apartado 5181
Caracas 1010-A, Venezuela
Tel: (582) 263-0833
Fax: (582) 263-1829/0586
E-Mail: venam@ven.net
Home Page: http://www.venamcham.org

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Monday, October 13, 1997
Brasilia, Brazil

Brasilia, Brazil

Since the second half of the 18th century, Brazil's governing authorities considered, with varying degrees of intensity, transferring the seat of government from Rio de Janeiro to an inland area, safe from naval attacks. The first Republican constitution (1891) went as far as defining where the future Federal District would be - a rectangle within the State of Goias, in the heart of the country. But it was not until 1956, after eight years of surveying, that the actual design and construction of the new Capital began under President Juscelino Kubitschek. The site chosen for Brasilia is located in the Federal District and comprises 2,245 sq. miles of a sparsely inhabited plateau carved out of the State of Goias, 3,609 feet above sea level and 746 miles from Rio de Janeiro. Brazilian architect and urban planner, Lucio Costa, won the competition for the urban master plan. The Brazilian architect Oscar Niemeyer designed the major government buildings. Landscape designer Roberto Burle Marx planned the layout and selection of plant varieties to add a vivid green backdrop to the otherwise dry, yellow landscape of the savanna vegetation. On April 21, 1960, Brasilia was officially inaugurated and started functioning as the new capital of Brazil. The population of Brasilia is about 1,750,000.

Reception Hosted by President Cardoso
Itamaraty Palace, Ministry of Foreign Affairs

Following arrival in Brasilia, The President and First Lady will attend a reception at Itamaraty, the Ministry of Foreign Affairs, hosted by President Cardoso. President Clinton's brief remarks will likely salute the U.S.-Brazil partnership and commend Brazil's determined efforts to make their multi-racial democracy a model for the 21st century.

Brazil is the largest democracy in South America.

Itamaraty Palace

Designed by Oscar Niemeyer (like much of Brasilia), Itamaraty Palace, Brazil's Foreign Ministry, derives its name from the historic building in Rio de Janeiro in which the ministry was housed when Rio was Brazil's capital. Itamaraty, the Brazilian equivalent of "Foggy Bottom", also refers to Brazil's highly respected corps of diplomats.

Dinner and Cultural Presentation
Alvorada Palace

After the reception at the Ministry of Foreign Affairs, President Cardoso will again host The President and First Lady for a dinner in The President's honor, followed by a Brazilian music performance by Caetano Veloso. In brief remarks at the dinner, President Clinton is likely to cite Brazil's important role in the hemisphere as a vibrant democracy which is working to expand opportunity through the promotion of education and technology.

Alvorada Palace

Oscar Niemeyer designed the Palace of the Alvorada ("Dawn"), the first building in the new capital, which was inaugurated in June 1958 by President Kubitschek.

The Palace is noted for its blend of 17th- and 18th-century Brazilian furniture mixed with modern masterpieces, including a tapestry by the renowned Brazilian artist Di Cavalcanti. The gardens feature brazilwood (a dye from its bark was the first product sent back to Europe and gave the country its name) and a verity of other tropical plants and flowers.

Tuesday, October 14, 1997
Brasilia, Brazil
Sao Paulo, Brazil

Arrival Ceremony
Planalto Palace

President Clinton will be formally welcomed to Brazil by President Cardoso on the grounds outside Planalto Palace before moving indoors for official meetings.

Presidents Clinton and Cardoso are expected to discuss ways to enhance our already strong partnership for regional and global security, and to advance our common agenda on democracy, crime and poverty alleviation as our two nations look forward to the Santiago Summit of the Americas next spring.

Brazil has been a key player in UN peacekeeping efforts in Mozambique and Angola, and has played a role in UNPROFOR in Bosnia. Additionally, Brazil is host to the Peru-Ecuador border dispute resolution talks.

Planalto Palace

The futuristic Planalto Palace, like much of official Brasilia, was designed by Oscar Niemeyer and is in keeping with his grand vision of Brazil -- a nation primed for greatness. Planalto Palace serves as President Cardoso's office complex. It sits in the Plaza of the Three Powers, where Brazil's legislative, judicial and executive branches are headquartered. The great expanse of the plaza is often used for important events such as head of state arrival ceremonies. Standing in front of Planalto Palace is the dramatic sculpture entitled "The Warriors."

Bilateral Meetings with President Cardoso
Planalto Palace

Presidents Clinton and Cardoso will meet privately in the Qualiencia Room of Planalto Palace before moving to an expanded meeting in the Palace's meeting room. In both meetings the two Presidents are expected to discuss Brazil's increased regional and global security role and the common agenda shared by the U.S. and Brazil to promote democracy and to combat crime and poverty through the expansion of educational opportunity.

President Cardoso is a determined advocated of educational reform as a key tool for addressing poverty, unemployment and disparity in Brazil.

The two Presidents are also expected to address environmental protection.

Joint Press Conference and Signing with President Cardoso
Alvarado Palace Garden

Following their morning meetings, Presidents Clinton and Cardoso will travel to Alvarado Palace for a joint press conference that will include opening statements.

Meet and Greet with American Embassy Staff
United States Embassy

Following remarks by Ambassador Levitsky and Secretary of State Albright and the First Lady, The President will speak briefly before the American Embassy staff.

The United States was the first nation to establish an Embassy in the newly created city of Brasilia. President Eisenhower laid the cornerstone in February 1960. There are about 110 American employees with 150 family members at this post, and 240 Brazilian national employees.

Following his remarks, The President and First Lady will depart for Sao Paulo. Following their arrival at the Sao Paulo International Airport the President and First Lady will travel to the Sheraton Hotel where they will rest for the evening.

Wednesday, October 15, 1997
Sao Paulo, Brazil
Rio de Janeiro, Brazil
Buenos Aires, Argentina

São Paulo, Brazil

Sao Paulo was founded by the Jesuits in 1554, on a plateau 2,493 feet above sea level, but only 45 miles from the coast, as a mission center (Patio do Colegio - as the area today is called) for early settlers and the indians who inhabited the area. For a long time it remained a small town. Around 1850 it began to grow and became richer thanks to the highly productive coffee plantations in the state. Later on, the income from coffee exports and the increasing population provided capital and manpower for the foundation of an industrial base. Today it is the industrial and financial center of Brazil generating over 30% of Brazil's GNP.

Address to Business Leaders
Auditorium
Memorial American Latine

Following an introduction by the President of the Sao Paulo American Chamber of Commerce President Clinton will offer remarks that are expected to address the importance of open markets and their capacity to increase hemispheric economic growth in the new global economy. The President is also expected to cite the vital importance of a strong educational system to give our citizens the tools they need to succeed in a global economy.

Sao Paulo is often cited as the "economic engine" of Brazil and the commercial heart of Latin America. In 1996, two-way trade between the U.S. and Brazil totaled more than $21 billion and U.S. exports to Brazil have more than doubled since 1992. The United States is the largest foreign investor in Brazil.

Among the audience will be members of the American Chamber of Commerce as well as representatives of schools that are sponsored by Chamber of Commerce member companies. The Sao Paulo American Chamber has an ambitious program for increasing corporate sponsorship of public schools.

After greeting guests at the Memorial American Latine, President Clinton will join Mrs. Clinton for travel to Rio de Janiero, Brazil.

Memorial America Latina

The State of Sao Paulo built the Latin America Memorial complex in 1989. Also at this complex devoted to Latin American cultures and regional integration are the Latin American Parliament ("Parlatino") building, and a museum. The Parlatino is a separate, international organization where representatives from South American legislatures meet periodically.

Rio de Janiero, Brazil

Rio de Janeiro was discovered on January (Janeiro) 1, 1502 by Portuguese navigators who mistook the entrance of Guanabara Bay for the mouth of a river (Rio). Sixty years later, because French traders in search of pau-brasil (Brazilwood) were routinely "visiting" the area, the Portuguese crown established the city of Sao Sebastiao do Rio de Janeiro. After 2 years of bloody conflict, the French were expelled and settlers began to cultivate the surrounding fertile lands. In the beginning of the 18th century the city's importance and population increased immensely as it became the main shipping port for gold and diamonds that came from Minas Gerais. In 1763 the colonial capital of Brazil was transferred from Salvador, Bahia to Rio. In 1808, as Napoleon's armies began the invasion of Portugal, the decision was made to transfer the monarch and his court to Rio de Janeiro, where he would remain until 1821. During this time Brazil was elevated in status from a colony to a United Kingdom with Portugal. With the advent of Independence, Rio became the capital of the new empire. The city prospered economically, and by 1891 it had a population of over 500,000 inhabitants ranking it one of the largest cities in the world. As the city grew in prominence, mountains were removed, bay water reclaimed, and skyscrapers constructed.

With the inauguration of Brasilia in 1960, Rio de Janeiro ceased to be Brazil's capital. Rio is the second largest city in Brazil and is still a major cultural capital and, to some extent, the "emotional" capital of Brazil as well. Rio de Janeiro has a majestic beauty, with built-up areas nestled between a magnificent bay and dazzling beaches on one side and an abruptly rising mountain range, covered by a luxuriant tropical forest, on the other. While Rio's landscape makes the city one of the world's most beautiful, it is, at the same time, home to some of the world's largest slums -- and with the slums, alarming pockets of poverty.

Rio's cultural life is intense and varied. Perhaps at no time is the city's festive reputation better displayed than during the annual carnival which enlivens the city for 3 solid days with music, singing, parties, balls, and desfiles (street parades of brilliantly-costumed dancers performing the samba.) Economically, Rio is a service industry center, a key financial center, and the producer of foodstuffs, building materials, electrical equipment, chemicals, pharmaceuticals, beverages, and textiles. But it is in the pursuit of leisure that Rio is outstanding. With its world famous beaches free to all (such as Copacabana and Ipanema), its splendid bay, one of the loveliest in the world, and its wonderful climate, a blend of summer and springtime, Rio de Janeiro is a city that lives in and for the sun. Approximately 5,750,000 people live in Rio de Janeiro.

Education Event
Soccer Field
Mangueira School

Following his arrival in Rio de Janiero, The President will visit the Mangueira School to address several thousand members of the Mangueira community -- students, teachers, and their families -- in the school's soccer field. (October 15 is Teacher's Day in Brazil).

In his remarks, President Clinton is expected to explain how education is our most powerful weapon against poverty as well as the key to opportunity for the disadvantaged.

Later in the afternoon, following The President's visit to the Mangueira School, President and Mrs. Clinton will depart Rio de Janeiro for the flight to Buenos Aires, Argentina.

Mangueira School ("Villa Olympica")

The Mangueira/Xerox project began in 1987 as an integrated program of education and sports to give opportunities to children living in one of Rio's poorest shantytowns ("favelas"). More than 1,000 children between the ages of 8 and 18 take part every year, by attending classes as well as participating in volleyball, swimming, soccer and Olympic athletics. Vocational training is provided on-site, as is primary health care. Xerox leads a group of other corporate sponsors with annual contributions of about $600,000.

The project has contributed to a continuous reduction in juvenile delinquency in the neighborhood. There have been no reported incidents of juvenile crime among Mangueira participants in the last seven years.

Xerox sponsors similar facilities in Sao Paulo and Manaus, but the Mangueira project is the largest. The State of Rio de Janeiro is seeking to replicate this successful public/private sponsorship elsewhere in the state.

U.S. Department of State

Background Notes: Brazil, September 1997

Released by the Bureau of Inter-American Affairs.

Official Name: Federative Republic of Brazil

PROFILE

Geography

Area: 8,511,965 sq. km. (3,290,000 sq. mi.) Slightly smaller than the U.S.
Capital: Brasilia (pop. 1.8 million).
Other cities: Sao Paulo (11 million), Rio de Janeiro (6 million), Belo Horizonte (2.3 million), Salvador (2 million), Fortaleza (1.8 million), Recife (1.4 million), Porto Alegre (1.4 million), Curitiba (1.4 million).
Terrain: Dense forests in northern regions including Amazon Basin; semiarid along northeast coast; mountains, hills, and rolling plains in the southwest including Mato Grosso; and coastal lowland.
Climate: Mostly tropical or semitropical with temperate zone in the south.

People

Nationality: Noun and adjective--Brazilian(s).
Population (1995): 156 million.
Annual growth rate: 1.7%.
Ethnic groups: Portuguese, Italian, German, Japanese, African, indigenous people.
Religion: Roman Catholic (80%).
Language: Portuguese.
Education: Literacy--81% of adult population.
Health: Infant mortality rate--44/1,000. Life expectancy--67 years.
Work force (65 million): Services--40%; agriculture--35%; industry--25%.

Government

Type: Federative Republic.
Independence: September 7, 1822.
Constitution: Promulgated October 5, 1988.
Branches: Executive--president (chief of state and head of government popularly elected to no more than two 4-year terms).
Legislative--Senate (81 members popularly elected to 8-year terms), Chamber of Deputies (513 members popularly elected to 4-year terms).
Judicial--Supreme Federal Tribunal.
Political parties: Brazilian Democratic Movement Party (PMDB), Brazilian Social Democratic Party (PSDB), Liberal Front Party (PFL), Social Democratic Party (PSD), Democratic Workers Party (PDT), Workers Party (PT), Brazilian Labor Party (PTB), Liberal Party (PL), Brazilian Socialist Party (PSB), Communist Party of Brazil (PC do B), Brazilian Progressive Party (PPB), Popular Socialist Party (PPS), Green Party (PV), The Social Liberal Party (PSL), The National Mobilization

Party (PMN).

Economy (1996)

GDP: U.S.$600 billion.
Annual real growth rate: 3.9%.
Per capita GDP: U.S. $4,200.
Natural resources: Iron ore, manganese, bauxite, nickel, uranium, gemstones, oil.
Agriculture (13% of GDP): Products--coffee, soybeans, sugarcane, cocoa, rice, beef, corn, oranges, cotton, wheat.
Industry: Types--steel, chemicals, petrochemicals, machinery, motor vehicles, consumer durables, cement, lumber.
Trade: Exports--$47 billion. Major markets--United States 19%, Argentina 10%, Netherlands 8%, Japan 6%, Germany 4%, Italy 3%, France 2%. Imports--$50 billion. Major suppliers--United States 25%, Argentina 12%, Germany 9%, Italy 5%, Japan 4%.
Official exchange rate: 1.05 Reais = U.S. $1.

U.S.-BRAZILIAN RELATIONS

The United States was the first country to recognize Brazil's independence in 1822. The two countries have traditionally enjoyed friendly, active relations encompassing a broad political and economic agenda.

With the inauguration of Brazil's internationally oriented, reformist President Fernando Henrique Cardoso on January 1, 1995, U.S.-Brazil engagement and cooperation have intensified. This is reflected in the unprecedented number of high-level contacts between the two governments, including President Cardoso's state visit to Washington in April 1995, visits to Brazil by First Lady Hillary Clinton, Secretary of State Warren Christopher, the late Secretary of Commerce Ronald Brown and many other exchanges between U.S. and Brazilian cabinet and sub-cabinet officials. Important topics of discussion and cooperation have included trade and finance, hemispheric economic integration, United Nations reform and peacekeeping efforts, nonproliferation and arms control, follow-up to the 1994 Miami Summit of the Americas, common efforts to help resolve the Peru-Ecuador border conflict, support for Paraguay's democratic development, human rights, counternarcotics, and environmental issues.

A new agreement for cooperation in counternarcotics was signed in March 1995, and a national drug control plan has been drafted. During a visit of Under Secretary of State Timothy Wirth to Brazil in October 1995, the two countries signed a Common Agenda on the Environment, laying the foundation for cooperative efforts in environmental protection. The two governments are negotiating a Mutual Legal Assistance Treaty, which will assist in combating international crime.

Former U.S. Trade Representative Mickey Kantor and Brazilian Foreign Minister Lampreia submitted a joint report to Presidents Clinton and Cardoso on the U.S.-Brazil Bilateral Trade Review, completed October 25, 1995. The Bilateral Trade Review lays the groundwork for closer cooperation in resolving bilateral trade issues as well as in joint efforts to advance progress toward a Free Trade Area of the Americas (FTAA) and to develop closer ties between NAFTA and Mercosul, the Common Market of the South. Brazil is a key player in hemispheric efforts to negotiate an FTAA by 2005, and hosted the May 1997 FTAA Trade Ministerial in Belo Horizonte.

Relations are advancing well in various aspects of scientific and technical work as well. During his 1996 visit, former Secretary of State Christopher signed a Space Cooperation agreement and initialed an agreement on Peaceful Uses of Nuclear Energy.

Principal U.S. Embassy Officials
Ambassador--Melvyn Levitsky
Deputy Chief of Mission--James Derham

Defense Attaché--Col. Layton Dunbar, U.S. Army
Economic Counselor--John H. Lewis
Commercial Counselor--Miguel Pardo de Zela (resident in Sao Paulo)
Political Counselor--John Caswell
Science Counselor--Xenia Wilkinson
Public Affairs Counselor (USIS)--John Dwyer
Consul General in Sao Paulo--Melissa Wells
Consul General in Rio de Janeiro--Cristobal Orozco
Consul in Recife--Earl Irving

The U.S. embassy in Brasilia is located at SES Avenida das Nações, quadra 801, lote 3, Brasilia, DF, CEP: 70.403-900 (tel. 55-61-321-7272). (fax 55-61-321-2833).
Internet: http://www.embaixada-americana.org.br/

There are U.S. consulates general in Rio de Janeiro and Sao Paulo and a consulate in Recife. Consular agents are located in Manaus, Belem, Salvador, Fortaleza, and Porto Alegre. Branch offices of the U.S. Information Service (USIS) are located in Brasilia, Rio de Janeiro, and Sao Paulo. Branch offices of the U.S. Foreign Commercial Services are located in Brasilia, Sao Paulo, Rio de Janeiro and Belo Horizonte.

U.S. Embassy and Consulate Functions

In addition to working closely with Brazilian Government officials to strengthen our bilateral relationship, the U.S. embassy and consulates in Brazil provide a wide range of services to U.S. citizens and business. Political, economic, and science officers deal directly with the Brazilian Government in advancing U.S. interests, but are also available to provide information to U.S. citizens on general conditions in the country. Attaches from the Foreign Commercial Service and Foreign Agriculture Service work closely with hundreds of U.S. companies which maintain offices in Brazil. These officers provide information on Brazilian trade and industry regulations and administer several programs intended to aid U.S. companies starting or maintaining business ventures in Brazil.

The consular section of the embassy provides vital services to the estimated 50,000 U.S. citizens residing in Brazil. Among other services, the consular section assists Americans who wish to participate in U.S. elections while abroad and provides U.S. tax information. Besides the U.S. residents living in Brazil, some 150,000 U.S. citizens visit annually. The consular section offers passport and emergency services to U.S. tourists as needed during their stay in Chile.

ECONOMY

Brazil is the 10th-largest economy in the world, with 1996 GDP over U.S.$600 billion. It is a highly diversified economy with wide variations in levels of development. Most large industry is concentrated in the south and southeast. Although traditionally the poorest part of Brazil, the northeast is beginning to attract new investment.

Brazil embarked on its most successful economic stabilization program, the Plano Real (named for the new currency, the real, plural: reais) in July 1994. Inflation--which had reached an annual level of nearly 5000% at the end of 1993--has since dropped to its lowest level in over 40 years and is expected to be less than 10% in 1997. Brazil has accomplished this through a combination of a strong exchange rate, tight monetary policies, trade liberalization and privatization. In addition, the Cardoso Administration has introduced to Congress a series of constitutional reform proposals to replace a state-dominated economy with a market-oriented one and to restructure all levels of government on a financially sound basis. Congress has approved amendments to open the economy to greater private sector participation, including foreign investors. Reforms to bring order to government fiscal accounts have made less progress--because of their greater political sensitivity--but remain under consideration by the Congress. The Administration places great importance on these fiscal reforms for sustainable long-term growth. The Plano Real has raised the income of poor Brazilians, but Brazil continues to have one of the world's most inequitable distributions of income. The Administration has acknowledged the need to invest more in education and health to redress this inequity.

Market liberalization and economic stabilization have significantly enhanced Brazil's growth prospects. Brazil's trade has almost doubled since 1990, from U.S.$50 billion to an estimated U.S.$100 billion in 1996. The United States represents about 20% of that trade, and ran small trade surpluses in 1995 and 1996 after many years of deficits with Brazil. Foreign direct investment has increased from less than U.S.$1 billion in 1993 to an estimated U.S.$7 billion in 1996. The United States is the largest foreign investor in Brazil, accounting for almost U.S.$20 billion, or 34% of total foreign investment. Ongoing and upcoming privatization in the telecommunication, energy and mining sectors of Brazil planned for 1997 and 1998 is of major interest to U.S. companies.

Brazil is endowed with vast agricultural resources. There are basically two distinct agricultural areas. The first, located in the central-south region, has temperate rainfall, the best soils, high technology and input use, reasonable infrastructure, and more experienced farmers. It produces most of Brazil's food and export crops. The other, located in the drought-ridden northeast region and in the Amazon basin, lacks well-distributed rainfall, good soil, adequate infrastructure, or sufficient development capital. Although producing mostly for self-sufficiency, the latter regions are becoming increasingly important in exports of forest products, cocoa, sugarcane and tropical fruits. Central Brazil contains substantial areas of grassland with only scattered trees. The Brazilian grasslands are less fertile than those of North America and are generally more suited for grazing.

Brazilian agriculture is highly diversified, and the country is largely self-sufficient in food. Agriculture accounts for 13% of the country's GDP, and employs about one third of the labor force in more than 6 million agricultural enterprises. Crop production accounts for about 90% of the total agricultural output. Brazil is the world's largest producer of sugarcane and coffee, and an exporter of rice, corn, cocoa, cotton, soybeans, oranges, tobacco, forest products, and other tropical fruits and nuts. The remaining 10% of the agricultural economy involves livestock activities, mainly the production of beef, poultry, pork, milk, and eggs.

Brazil is a net exporter of agricultural and food products, which account for about 35% of the country's exports. In 1995, farm and food exports totaled U.S.$16 billion. Record levels of imports amounted to nearly U.S.$7 billion. In 1994 and 1995, agricultural exports were hurt by the sharp appreciation of the Brazilian real, lack of export financing, and high taxes and port costs. On the other hand, agricultural and food imports grew substantially during this period as a result of production shortfalls, lower prices due to import liberalization and a strong currency, and increased consumer demand. In the long run, however, the trend of agricultural imports is back toward pre-1995 levels.

Half of Brazil is covered by forests, with the largest rain forest in the world located in the Amazon Basin. Recent migrations into the Amazon and large-scale burning of forest areas have placed the international spotlight on Brazil. The government has reduced incentives for such activity and is beginning to implement an ambitious environmental plan.

Brazil has one of the most advanced industrial sectors in Latin America. Accounting for one-third of GDP, Brazil's diverse industries range from automobiles, steel, and petrochemicals, to computers, aircraft, and consumer durables. With the increased economic stability provided by the Plano Real, Brazilian firms and multinationals have invested hundreds of millions of dollars in new equipment and technology, a large share of which has been purchased from U.S. firms. However, the country's power, transportation, and communications systems--particularly outside the more developed southern states--suffer from lack of investment and poor maintenance.

Brazil has a diverse and sophisticated services industry as well. During the early 1990s, the banking sector accounted for as much as 16% of GDP. Although undergoing a major overhaul, Brazil's financial services industry provides local firms a wide range of products and is attracting numerous new entrants, including U.S. financial firms. The Sao Paulo and Rio de Janeiro stock exchanges have been among the fastest growing in the world in the last two years.

The Brazilian Government has undertaken an ambitious program to reduce dependence on imported oil. Imports previously accounted for more than 70% of the country's oil needs but now account for less than 50%. Brazil is one of the world's leading producers of hydroelectric power, with a potential of 106,500 megawatts. Existing hydroelectric power provides 90% of the nation's electricity. Two large hydroelectrical projects, the 12,600 megawatt Itaipu Dam on the Parana River--the world's largest dam--and the Tucurui Dam in Para in northern Brazil, are in operation.

Brazil's first commercial nuclear reactor, Angra I, located near Rio de Janeiro, has been in operation for more than 10 years. Angra II is under construction, and Angra III is planned. The three reactors would have combined capacity of 3,000 megawatts when completed.

Proven mineral resources are extensive. Large iron and manganese reserves are important sources of industrial raw materials and export earnings. Deposits of nickel, tin, chromite, bauxite, beryllium, copper, lead, tungsten, zinc, gold, and other minerals are exploited. High-quality coking-grade coal required in the steel industry is in short supply.

GOVERNMENT AND POLITICS

Brazil is a federal republic with 26 states and a federal district. The 1988 constitution grants broad powers to the federal government, made up of executive, legislative, and judicial branches. The President holds office for four years and appoints his own cabinet. There are 81 senators, three for each state and the Federal District, and 513 deputies. Senate terms are for eight years, with election staggered so that two-thirds of the upper house is up for election at one time and one-third four years later. Chamber terms are for four years, with elections based on a complex system of proportional representation by states. Each state is eligible for a minimum of 8 seats; the largest state delegation (Sao Paulo's) is capped at 70 seats. The result is a system weighted in favor of geographically large but sparsely populated states.

Fifteen political parties are represented in Congress. Since it is common for politicians to switch parties, the proportion of congressional seats held by particular parties changes regularly. The following are the major ones, in order of the size of their congressional delegations:

PFL--Liberal Front Party (center-right)
PMDB--Brazilian Democratic Movement Party (center)
PSDB--Brazilian Social Democratic Party (center-left)
PPB--Brazilian Progressive Party (center-right)
PT--Workers Party (left)
PDT--Democratic Labor Party (left)
PTB--Brazilian Labor Party (center-right)
PSB--Brazilian Socialist Party (left)
PCdoB--Communist Party of Brazil (left)
PL--Liberal Party (center-right)

President Cardoso was elected with the support of a heterodox alliance of his own center-left Social Democratic Party, the PSDB, and two center-right parties, the Liberal Front Party (PFL) and the Brazilian Labor Party (PTB). Brazil's largest party, the centrist Brazilian Democratic Movement Party (PMDB), joined Cardoso's governing coalition after the election, as did the center-right PPB, the Brazilian Progressive Party, in 1996, after its formation from three conservative parties the previous year. Federal deputies and senators who belong to the parties comprising the government coalition do not always vote with the government, a consequence of weak party discipline and lack of ideological coherence both among and within coalition parties. As a result, President Cardoso has had difficulty cobbling together sufficient support for many of his legislative priorities, despite the fact that his coalition parties hold an overwhelming majority of congressional seats. Among several opposition parties, the left-of-center Workers Party (PT) is the largest and most ideologically coherent.

States are organized like the federal government, with three government branches. Because of the mandatory revenue allocation to states and municipalities provided for in the 1988 Constitution, Brazilian governors and mayors have exercised considerable power since 1989.

Presidential, congressional, and gubernatorial elections took place in October 1994. Fernando Henrique Cardoso won the presidential election with approximately 54% of the vote, while his closest challenger, Luiz Inacio Lula da Silva (PT), had about 27%. Elections for the nation's mayors were held in October and November 1996. The next national elections will be in 1998.

FOREIGN RELATIONS

Traditionally, Brazil has been a leader in the inter-American community and has played an important role in collective security efforts as well as in economic cooperation in the Western Hemisphere. Brazil aligned with the allies in both World Wars. During World War II its expeditionary force in Italy played a key role in the allied victory at Monte Castello. It is a party to the Inter-American Treaty of Reciprocal Assistance (Rio Treaty) and a member of the Organization of American States (OAS). Recently, Brazil has given high priority to expanding relations with its South American neighbors and is a founding member of the Amazon Pact, the Latin American Integration Association (ALADI), and Mercosul (Mercosur in Spanish), uniting Argentina, Uruguay, Paraguay, and Brazil. Along with Argentina, Chile, and the United States, Brazil is one of the guarantors of the Peru-Ecuador peace process.

Brazil is a charter member of the United Nations and participates in many of its specialized agencies. It has contributed troops to UN peacekeeping efforts in the Middle East, the former Belgian Congo, Cyprus, Mozambique, and most significantly, Angola.

As Brazil's domestic economy has grown and diversified, the country has become increasingly involved in international politics and economics. The United States, Western Europe, and Japan are primary markets for Brazilian exports and sources of foreign lending and investment. As an indication of Brazil's broader international role, trade with other developing countries increased from 9% of the total in the 1970s to nearly 30% in 1993. Brazil has also bolstered its commitment to non-proliferation through the signing of a full-scale nuclear safeguard agreement with the International Atomic Energy Agency (IAEA), accession to the Treaty of Tlatelolco, and membership in the Missile Technology Control Regime and the Nuclear Suppliers Group.

Principal Government Officials

President--Fernando Henrique Cardoso
Vice-President--Marco Maciel
Minister of Foreign Affairs--Luiz Felipe Lampreia
Ambassador to the U.S.--Paulo Tarso Flecha de Lima
Ambassador to the UN--Celso Amorim
Ambassador to the OAS--Carlos Alberto Leite Barbosa

Brazil maintains an embassy in the United States at 3006 Massachusetts Avenue NW, Washington, DC 20008 (tel. 202-238-2700). Brazil maintains consulates general in New York, Chicago, and Los Angeles; and consulates in Miami, Houston, Boston, San Francisco, Atlanta, and Orlando.

PEOPLE AND HISTORY

With an estimated 156 million inhabitants, Brazil has the largest population in Latin America and ranks sixth in the world. The majority live in the south-central area, which includes the industrial cities of Sao Paulo, Rio de Janeiro, and Belo Horizonte. Urban growth has been rapid: by 1991, 75% of the total population were living in urban areas. Rapid growth has aided economic development but has also created serious social, environmental, and political problems for major cities.

Four major groups make up the Brazilian population: the Portuguese, who colonized in the 16th century; Africans brought to Brazil as slaves; various other European, Middle Eastern, and Asian immigrant groups who have settled in Brazil since the mid-19th century; and indigenous people of Tupi and Guarani language stock. Intermarriage between the Portuguese and indigenous people or slaves was common. Although the major European ethnic stock of Brazil was once Portuguese, subsequent waves of immigration have contributed to a diverse ethnic and cultural heritage.

From 1875 until 1960, about 5 million Europeans emigrated to Brazil, settling mainly in the four southern states of Sao Paulo, Parana, Santa Catarina, and Rio Grande do Sul. Immigrants have come mainly from Italy, Germany, Spain, Japan, Poland, and the Middle East. The largest Japanese community outside Japan is in Sao Paulo. Despite class distinctions, national identity is strong, and racial friction is a relatively new phenomenon.

Indigenous full-blooded Indians, located mainly in the northern and western border regions and in the upper Amazon Basin, constitute less than one percent of the population. Their numbers are declining as contact with the outside world and commercial expansion into the interior increase. Brazilian Government programs to establish reservations and to provide other forms of assistance have existed for years but are controversial and often ineffective.

Brazil is the only Portuguese-speaking nation in the Americas. Approximately 80% of all Brazilians belong to the Roman Catholic Church; most others are Protestant or follow practices derived from African religions.

Brazil was claimed for Portugal in 1500 by Pedro Alvares Cabral. It was ruled from Lisbon as a colony until 1808, when the royal family, having fled from Napoleon's army, established the seat of Portuguese government in Rio de Janeiro. Brazil became a kingdom under Dom Joao VI, who returned to Portugal in 1821. His son declared Brazil's independence on September 7, 1822, and became emperor with the title of Dom Pedro I. His son, Dom Pedro II, ruled from 1831 to 1889, when a federal republic was established in a coup by Deodoro da Fonseca, marshal of the army. Slavery had been abolished a year earlier by the Regent Princess Isabel while Dom Pedro II was in Europe.

From 1889 to 1930, the government was a constitutional democracy, with the presidency alternating between the dominant states of Sao Paulo and Minas Gerais. This period ended with a military coup that placed Getulio Vargas, a civilian, in the presidency; Vargas remained as dictator until 1945. From 1945 to 1961, Eurico Dutra, Vargas, Juscelino Kubitschek, and Janio Quadros were elected presidents. When Quadros resigned in 1961, he was succeeded by Vice President Joao Goulart.

Goulart's years in office were marked by high inflation, economic stagnation, and the increasing influence of radical political elements. The armed forces, alarmed by these developments, staged a coup on March 31, 1964. The coup leaders chose as president Humberto Castello Branco, followed by Arthur da Costa e Silva (1967-69), Emilio Garrastazu Medici (1968-74), and Ernesto Geisel (1974-79) all of whom were senior army officers. Geisel began a liberalization which was carried further by his successor, Gen. João Baptista de Oliveira Figueiredo (1979-85). Figueiredo not only permitted the return of politicians exiled or banned from political activity during the 1960s and 1970s but also allowed them to run for state and federal offices in 1982.

At the same time, an electoral college consisting of all members of congress and six delegates chosen from each state, continued to choose the president. In January 1985, the electoral college voted Tancredo Neves from the opposition Brazilian Democratic Movement Party (PMDB) into office as President. However, Tancredo Neves became ill in March and died a month later. His Vice

President, former Senator Jose Sarney, became President upon Neves' death.

Brazil completed its transition to a popularly elected government in 1989, when Fernando Collor de Mello won 53% of the vote in the first direct presidential election in 29 years. In 1992 a major corruption scandal led to the impeachment and ultimate resignation of President Collor. Vice President Itamar Franco took his place and governed for the remainder of Collor's term culminating in the October 3, 1994 presidential elections, when Fernando Henrique Cardoso was elected President with 54% of the vote. He took office January 1, 1995.

President Cardoso has sought to establish the basis for long-term stability and growth and to reduce Brazil's extreme socioeconomic imbalances. His proposals to Congress include constitutional amendments to open the Brazilian economy to greater foreign participation and to implement sweeping reforms--including social security, government administration, and taxation--to reduce excessive public sector spending and improve government efficiency.

Business Contact List

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Branch also in Salvador

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country. **Consular Information Sheets** exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country. **Public Announcements** are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American travelers. Free copies of this information are available by calling the Bureau of

Consular Affairs at 202-647-5225 or via the fax-on-demand system: 202-647-3000. Travel Warnings and Consular Information Sheets also are available on the Consular Affairs Internet home page: http://travel.state.gov and the **Consular Affairs Bulletin Board (CABB)**. To access CABB, dial the modem number: (301-946-4400 (it will accommodate up to 33,600 bps), set terminal communications program to N-8-1 (no parity, 8 bits, 1 stop bit); and terminal emulation to VT100. The login is **travel** and the password is **info** (Note: Lower case is required). The CABB also carries international security information from the Overseas Security Advisory Council and Department's Bureau of Diplomatic Security. Consular Affairs Trips for Travelers publication series, which contain information on obtaining passports and planning a safe trip abroad, can be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954; telephone: 202-512-1800; fax 202-512-2250.

Emergency information concerning Americans traveling abroad may be obtained from the Office of Overseas Citizens Services at (202) 647-5225. For after-hours emergencies, Sundays and holidays, call 202-647-4000.

Passport Services information can be obtained by calling the 24-hour, 7-day a week automated system ($.35 per minute) or live operators 8 a.m. to 8 p.m. (EST) Monday-Friday ($1.05 per minute). The number is 1-900-225-5674 (TDD: 1-900-225-7778). Major credit card users (for a flat rate of $4.95) may call 1-888-362-8668 (TDD: 1-888-498-3648)

Travelers can check the **latest health information** with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at (404) 332-4559 gives the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled *Health Information for International Travel* (HHS publication number CDC-95-8280) is available from the U.S. Government Printing Office, Washington, DC 20402, tel. (202) 512-1800.

Information on **travel conditions, visa requirements, currency and customs regulations, legal holidays, and other items of interest to travelers** also may be obtained before your departure from a country's embassy and/or consulates in the U.S. (for this country, see "Principal Government Officials" listing in this publication).

U.S. citizens who are long-term visitors or traveling in dangerous areas are encouraged to register at the U.S. embassy upon arrival in a country (see "Principal U.S. Embassy Officials" listing in this publication). This may help family members contact you in case of an emergency.

Further Electronic Information:

Department of State Foreign Affairs Network. Available on the Internet, DOSFAN provides timely, global access to official U.S. foreign policy information. Updated daily, DOSFAN includes *Background Notes*; *Dispatch*, the official magazine of U.S. foreign policy; daily press briefings; *Country Commercial Guides*; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at http://www.state.gov.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on a semi-annual basis by the U.S. Department of State, USFAC archives information on the Department of State Foreign Affairs Network, and includes an array of official foreign policy information from 1990 to the present. Contact the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. To order, call (202) 512-1800 or fax (202) 512-2250.

National Trade Data Bank (NTDB). Operated by the U.S. Department of Commerce, the NTDB contains a wealth of trade-related information. It is available on the Internet (www.stat-usa.gov) and on CD-ROM. Call the NTDB Help-Line at (202) 482-1986 for more information.

[end of document]

Wednesday, October 15, 1997
Buenos Aires, Argentina

Buenos Aires, Argentina

Buenos Aires, Argentina's capital, is one of the world's great cities. Its population is more than 3,000,000; the greater metropolitan area has more than 11,000,000 inhabitants. Its port has always been the most important gateway to the country, and the people of Buenos Aires are commonly known as *portenos*, or "port dwellers." During the period of Argentina's greatest prosperity, from 1880 to 1930, the architecture of Buenos Aires took on an unmistakably Parisian look, and many of the city's neighborhoods still reflect the architectural splendor of those years. The neighborhood called San Telmo, which borders on the city's government and business center, seems lost in time, with many buildings remaining from the 18th century. Other landmarks are the Casa Rosada, the pinkinsh-painted government house overlooking the central Plaza de Ayo; the Obelisk at the intersection of the Avenues 9 de Julio and Corrientes, erected in 1936 to commemorate the founding of the city; the Colon Theatre, also on 9 de Julio, one of the most splendid theaters in Latin America; and the portside neighborhood of La Boca, with gaily painted wood-and-corrugated metal houses.

Arrival Ceremony
Ezeiza International Airport

Upon arriving at Buenos Aires' Ezeiza Airport, President Clinton and Mrs. Clinton will participate in an arrival ceremony.

Thursday, October 16, 1997
Buenos Aires, Argentina

Wreath Laying Ceremony
Plaza San Martin

At the Plaza San Martin President Clinton will offer brief remarks highlighting Argentina's contribution to international peacekeeping. Following his remarks, The President will lay a wreath.

Plaza San Martin

General Jose de San Martin is considered the founding father of Argentina -- the Argentine George Washington. Born in what would later become Argentina, San Martin began his military career in Spain and fought against the French when Napoleon invaded the Iberian Peninsula. News of revolution in his native land led him to return in 1812. His leadership of the revolutionary troops forced the resignation of the ruling triumvirate in October of 1812.

Between 1816 and 1820 the final defeat of Spanish colonial forces in the southern region of South American was achieved, largely due to the leadership, planning, and perseverance of General San Martin. Today, San Martin is recognized as the national hero of Argentina as well as the liberator of Chile and Peru. His military victories permanently eliminated the threat of future colonial domination in Argentina.

Bilateral Meeting with President Menem
Casa Rosada

The two Presidents are expected to reaffirm the close and cooperative partnership between the U.S. and Argentina on a broad range of issues including international security, environmental preservation and sustainable development.

Argentina is our close and consistent ally and shares many of our most important regional policy objectives.

Following his meeting with President Menem, President Clinton will meet with leaders from Argentina's political opposition at the Sheraton Hotel.

Casa Rosada ("Pink House")

The Casa Rosada serves as the Argentine President's downtown office. The building is located on the "Plaza de Mayo," where the city was founded in 1580. At that time, the Plaza was surrounded by fortifications and located on a hill above the River Plate -- now nearly a mile away. In 1806-07, the building was occupied by invading British troops. Later, in the 1850's, it was painted pink, then a fashionable color for residences.

From a Casa Rosada balcony facing the plaza, Juan Peron and other Argentine leaders have spoken to large crowds on momentous occasions

Meeting With Jewish Leaders
Sheraton Hotel

President Clinton will meet with Jewish leaders and relatives of victims of the 1992 terrorist bombing of the Israeli Embassy in Buenos Aires and the 1994 terrorist bombing of the Argentine-Israeli Mutual Association (AMIA), the principal Jewish community center in Buenos Aires. The two bombings killed a combined 115 people.

Argentina is home to the fifth largest Jewish community in the world.

"Conversation on the Americas" Town Hall Meeting
Univision Television Studios

The "Conversation on the Americas" town hall meeting will be broadcast live by the *Univision* network. *Univision* is providing the satellite feed from the town hall to the Organization of Television Companies Ibereo-America (OTI). OTI is the main union for major broadcasters in the hemisphere (they distribute the feed from the World Cup) and will distribute the signal to all countries interested in the broadcast. This service will be free of charge and allow all 33 democracies in Latin America, as well as Spain and Portugal, to receive the broadcast.

After brief opening remarks President Clinton will take questions from a studio audience of young leaders from Argentina, Brazil, Chile as well as from other countries and from audiences in Miami and Los Angeles. The audience will be comprised of leaders in education, business, the environment, government, anti-drug and poverty groups and the arts.

State Dinner
Rural Center

President Menem will host a state dinner at the main restaurant on the grounds of the Sociedad Rural de Argentina ("Rural Society of Argentina"). The evening will be centered on a traditional Argentine "asado" or barbecue. Entertainment will likely consist of demonstrations of equestrian skills by "gauchos" in their typical garb, folk music and dance, the tango, and jazz, among other activities.

Sociedad Rural de Argentina

The Sociedad Rural is next to the U.S. Embassy. It is widely recognized as the site of the annual Exposicion Rural de Argentina, an agricultural trade show which occurs in July-August and which thousands of both local and international ranchers and businessmen attend.

The complex is used extensively by President Menem for entertaining. On previous occasions, the President has hosted official functions there during visits by former President Bush, the Duke of Edinburgh, as well as all of the presidents of the Mercosur countries, among others.

Friday, October 17, 1997
Buenos Aires, Argentina
Bariloche, Argentina

Business Leaders Breakfast
Sheraton Hotel

Presidents Clinton and Menem will visit a business breakfast which is being sponsored by the U.S.-Argentine Chamber of Commerce. Representatives from American and Argentine business communities will attend the breakfast. President Clinton will make brief remarks to close the breakfast.

This joint breakfast symbolizes the strong commercial relations the U.S. shares with Argentina. Two way trade for 1997 is estimated to exceed $8 billion. U.S. firms are also the leading investors in Argentina with $12 billion in investment, and increasing at more than $2 billion per year. This breakfast is an important opportunity to highlight U.S.-Argentine trade, the importance of hemispheric free trade and American support for MERCOSUR and other regional trade groupings that promote the liberalization of trade.

Meet and Greet with American Embassy Community
United States Embassy

Following remarks by Secretary of State Albright and the First Lady, The President will speak briefly before the American Embassy community before officially opening the new Embassy Information Resource Center (IRC). The President will also receive an honorary membership in the Argentine Center for International Relations (CARI).

The IRC is the United States Information Agency's state-of-the-art reference center on the U.S. It offers unique access to information on relevant U.S. Government legislation, trade, environmental and education issues as well as other areas of interest via multiple computer databases and the Internet.

CARI is a well known and respected Argentine forum focused on foreign policy, and has conferred such honorary membership to visiting dignitaries in the past, including President Bush, Secretary Albright, and the Heads of State of Spain, Panama, Haiti, Hungary and Finland.

Following his visit with the American Embassy community, The President and First Lady will depart for the flight to Bariloche, where they will spend the rest of the day and evening.

American Embassy, Buenos Aires

The current U.S. chancery was completed in 1976. The building itself provides office space for the Department of State, Defense Attaché Office, Drug Enforcement Agency, Federal Aviation Association, Federal Bureau of Investigation, Foreign Agricultural Service, Foreign Commercial Service, and USIS. The Embassy community consists of 104 U.S. officials accompanied by 164 dependents, and 160 local employees.

San Carlos de Bariloche, Argentina

San Carlos de Bariloche, more commonly referred to simply as "Bariloche," is a beautiful mountain town of 100,000 inhabitants located 1,000 miles southwest of Buenos Aires on the eastern slope of the Andes. The city's architecture is reminiscent of a European ski village, with most buildings made of local wood and stone. The town is famous for homemade chocolates, smoked meats and cheeses, and ceramics.

The Nahuel Iluapi National Park, with over 1.6 million acres of mountains, forests, lakes and rivers, surrounds Bariloche. The altitude in the area ranges from 2,500 to 13,000 feet. Much of the National Park land in Argentina is in private hands, but the Argentine government places strict controls on building, planting, and clearing. The park is especially famous for the "Bosque de Los Arrayanes" (myrtle trees) on the Quetribue peninsula on Nahuel Iluapi Lake. The arrayan tree can be found in limited places elsewhere in the hemisphere, but the "Bosque" is the only living complete forest. It evokes such an impressive eeriness that Walt Disney sent his artists to the peninsula in the 1940's where they designed the backdrops for "Bambi."

Bariloche is an ideal getaway that appeals to tourists all year round. In the winter months (summer months in the U.S.), thousand of tourists flock to the various ski resorts which contain over 5,000 acres of skiable runs, the most well known being "Cerro Catedral." The other seasons attract those who explore the land by hiking, mountain climbing, horseback riding, mountain biking, and trekking. The area also offers crystalline lakes and rivers for those who like trout fishing, kayaking, rafting, and boating. One of the most challenging golf courses in Argentina is the 9 hole Scottish-style links located on the grounds of the Llao-Llao Hotel.

The famous Pietro Moreno glacier, to the South, is a natural phenomenon to be discovered. A huge, moving river of ice, it is the only glacier in the world that, rather than receding, is constantly advancing. Continually creaking, breaking and shattering, it is a spectacle of truly unusual proportions.

Saturday, October 18, 1997
Bariloche, Argentina

Environmental Event
Nahuel Huapi National Park

In the spectacular setting of the Nahuel Huapi National Park, The President will address one of our most pressing environmental challenges – notably, climate change – and discuss some of the environmental initiatives taken during his trip.

U.S. Department of State

Background Notes: Argentina, September 1997

Released by the Bureau of Inter-American Affairs.

OFFICIAL NAME: The Argentine Republic

PROFILE

GEOGRAPHY

Area: 2.8 million sq. km (1.1 million sq. mi.); about the size of the U.S. east of the Mississippi River; second largest country in South America.
Cities: Capital--Buenos Aires (city: 3 million; metropolitan area: 12 million).
Other major cities: Cordoba (1.2 million); Rosario (950,000); Mar del Plata (900,000); Mendoza (400,000)
Terrain: Andes mountains and foothills in west. Aconcagua, (7,021 m; 23,034 ft) is highest peak in the Western Hemisphere; remainder of country is lowland; central region characterized by vast grassy plains (pampas).
Climate: Varied: predominantly temperate with extremes ranging from subtropical in the north to arid/subantarctic in far south.

PEOPLE

Nationality: Noun and adjective--Argentine(s). .
Population (mid-1995: 34.6 million.
Annual population growth rate: 1.3%.
Ethnic groups: European 97% , mostly of Spanish and Italian descent.
Religions: Roman Catholic 92% , Protestant 2% , Jewish 2% , other 4%.
Language: Spanish.
Education: Years compulsory--7; Adult literacy--96.2%.
Health: Infant mortality rate--23.6/1000. Life expectancy of newborns: 72.3 years.
Work Force: Industry and commerce--36% , agriculture--19% , transport and communications--6%.

GOVERNMENT

Type: Republic.
Independence: July 9, 1816.
Constitution: 1853, revised 1994.
Branches: Executive--president, vice president, cabinet.
Legislative--bicameral congress (72-member Senate, 257-member Chamber of Deputies).
Judicial--Supreme Court, federal and provincial trial courts.
Administrative subdivisions: 23 provinces and one federal capital district.
Political Parties: Justicialist, Radical Civic Union, FREPASO, numerous smaller national and provincial parties.
Suffrage: universal adult.

ECONOMY (1997 projections)

GDP: $292 billion.
Annual real growth rate: 5% .
Per capital GDP: $8,500.
Natural resources: Fertile plains (*pampas*). Minerals: lead, zinc, tin, copper, iron, manganese, oil, uranium.
Agriculture (7% of GDP, about 60% of exports by value) Products--grains, oilseeds and by-products, livestock products.
Industry (26% of GDP), Types--food processing, oil refining, machinery and equipment, textiles, chemicals and petrochemicals.
Trade: Exports--$24.5 billion: grains, meats, oilseeds, manufactured products; Major markets--Brazil 25% ; U.S. 11% ; EU 25% .Imports--$25.5 billion: machinery, vehicles and transport products, chemicals. Major suppliers--U.S. 23% , Brazil 20% , EU 28% .

U.S.-ARGENTINE RELATIONS

The United States and Argentina currently enjoy a close bilateral relationship after many years of estrangement. The efforts of the Menem Administration to open Argentina's economy and realign its foreign policy have contributed to the improvement in these relations, and the interests and policies of the two countries coincide on many issues. Argentina and the United States often vote together in the United Nations and other multilateral fora. Argentina has participated in many multilateral force deployments mandated by the United Nations Security Council, including recent missions to Haiti and the former Yugoslavia. Reflecting the growing partnership that marks ties between the two countries, on December 5, 1996, President Clinton and Argentine President Menem announced the establishment of a special consultative process to address important issues in the bilateral relationship.

U.S. Embassy Functions

The U.S. Mission in Buenos Aires carries out the traditional diplomatic function of representing the United States Government and people in discussions with the Argentine Government, and more generally, in relations with the people of Argentina. The excellent political relationship between the United States and Argentina is increasingly reflected in the U.S. embassy's efforts to facilitate cooperation in nontraditional areas such as counter-terrorism, anti-narcotics, and scientific cooperation on space, peaceful uses of nuclear energy, and the environment.

The Embassy also provides a wide range of services to U.S. citizens and businesses in Argentina. Officers from the U.S. Foreign Service, Foreign Commercial Service and Foreign Agricultural Service work closely with the thousands of U.S. companies which maintain offices and/or do business in Argentina, providing information on Argentine trade and industry regulations and assisting U.S. companies starting or maintaining business ventures in Argentina. Attaches accredited to Argentina from the Department of Justice, including the Drug Enforcement Administration, the Federal Bureau of Investigation, U.S. Customs, the Federal Aviation Administration, and other federal agencies work closely with Argentine counterparts on issues related to international crime and other issues of concern.

An active, sophisticated, and expanding media environment, together with growing positive interest in American culture and society, make Argentina an uncommonly receptive environment for the information and cultural-exchange work of the United States Information Service. The number of Argentines studying in U.S. universities is rapidly growing, and the Fulbright fellowship program has more than tripled the annual number of U.S. and Argentine academic grantees since 1994.

The embassy's consular section provides vital services to the more than 20,000 U.S. citizens resident in Argentina as well as to the more than 330,000 who visit Argentina annually. Services include issuing passports, documenting the birth of U.S. citizens abroad, assisting in participation in U.S.

elections by registered voters, offering tax and Social Security information, assisting U.S. citizens arrested and/or in jail in Argentina and provision of other services in the event of death, destitution, or other emergencies abroad.

Principal U.S. Embassy Officers
Ambassador--vacant
Charge d'Affaires, a.i.--Ronald D. Godard
Deputy Chief of Mission--Manuel Rocha
Political Counselor--Mark A. Sigler
Economic Counselor--Thomas H. Martin
Commercial Counselor--Michael Likila
Consul General--Bryant J. Salter
Science Counselor--Philip Covington
Administrative Counselor--Benjamin Castro
Defense Attaché--Col. Jeffrey W. Whisenhunt, USAF
Commander, U.S. Military Group--LTC (P) Clark Lynn III, USA
Public Affairs Officer--Alexander Almasov

The U.S. embassy and consulate general in Argentina are located at 4300 Colombia Avenue in Buenos Aires' Palermo district. Mission offices can be reached at tel. (54)(1)777-4533/34; fax (54)(1)777-0197. Mailing addresses are: U.S. Embassy Buenos Aires, APO AA 34034; or 4300 Colombia, 1425 Buenos Aires, Argentina.

ECONOMY

In 1989, after decades of economic decline and chronic bouts of inflation, Argentina under President Menem began an unprecedented, profound, and remarkably successful economic restructuring based on trade liberalization, privatization, public administrative reform, and macroeconomics stabilization.

The 1991 Convertibility Law established a quasi-currency board which has provided the pillar of price stability but constrains monetary policy severely. The government privatized most state-controlled companies, opened the economy to foreign trade and investment, improved tax collection, and created private pension and workers compensation systems.

Average annual GDP growth exceeded 7% from 1991 to 1994, driven primarily by consumption. GDP declined 4.4% in 1995, and grew just 3.5% in 1996, primarily due to local recession which followed the December 1994 Mexico peso devaluation.

The structural reforms--coupled with monetary stability--fostered major new investments in industrial sectors producing goods for exports. This was most notable in the food products, oil and gas, automotive, and mining and metals sectors. As a result, Argentina's exports doubled in only two years--from about $12 billion in 1994 to almost $24 billion in 1996. Foreign direct investment continues growing impressively. GDP growth projections for 1997 range from 5.0% to 6.1% .

The October 1996 unemployment rate was 17.3%--down from 18.4% in mid-1995. As economic recovery gathers momentum in 1997, unemployment is expected to drop by at least two percentage points. However, larger and more significant declines will come slowly over the longer term.

Argentina is vulnerable to abrupt changes in capital flows. However, strong leadership and earlier structural reforms helped the country weather the 1995-96 financial storm. Argentine authorities, supported by the U.S., Japan, Europe, and international financial institutions, reacted decisively to bolster the peso. The government has continued to demonstrate credibility through further economic adjustment and conclusion of a new Standby Agreement with the International Monetary Fund in April 1996. Argentina is currently negotiating with the IMF to replace the Standby Agreement with an Extended Fund Facility arrangement.

Argentina's principal economic policy challenges in 1997 are:

1. Stimulating job creation through labor market reform;
2. Continuing the reform of provincial administration and banking; and
3. Simplifying tax collection and combating tax evasion.

Other structural problems include perceptions of widespread corruption, and of an ineffective judicial system.

Banking
Continuing the consolidation of Argentina's banking system is a government priority for 1997. Peso and dollar deposits in the banking system grew strongly and reached $55 billion by year end 1996. This represents nearly a 50% increase from June 1995, when bank deposits reached a low of $37 billion as a result of the Mexican peso crisis. However, increased liquidity in the banking system in 1996 did not translate quickly into increased lending. Credit is still very expensive in Argentina, and consumer confidence is weak.

The government continues to encourage privatization of financially troubled provincial banks, but progress has been mixed. Some provincial governments fear job losses and strongly oppose bank privatization. Government-owned banks still have an extremely large market share, and the financial sector stands to suffer as a result.

Foreign Trade
An important development in helping Argentina meet its external payments is the dramatic turnaround in its trade balance in 1995, which reversed merchandise trade deficits of 1993 and 1994. Year-end data suggested that Argentina balanced imports and exports for 1996. Total merchandise exports in 1996--close to $24 billion--are approximately 10% above those in 1995. Foreign trade will play an increasingly important role in Argentina's economic development. At present, exports represent only about 8% of Argentina's GDP, far below the Latin American average of 16.6%. That percentage is certain to rise steadily and substantially as Argentine export competitiveness improves.

Exceptionally strong international prices for grain and dairy products greatly benefited Argentina in 1996. Some grain prices went down, but Argentina registered bumper harvests.

MERCOSUR, a regional customs union and emerging trade bloc which includes Brazil, Paraguay and Uruguay, and has associations with Chile and Bolivia, improved industrial productivity, and economic stabilization in Brazil have all contributed to the dynamic growth of Argentina's foreign trade. Most notably, Argentina's exports to Brazil (over 25% of total exports) totaling about $6.3 billion, were 70% above the level in 1994.

Argentina's trade with the other members of MERCOSUR has grown fivefold since 1991. (During that period, its total foreign trade doubled.) As a consequence, Argentina's MERCOSUR partners accounted for one-third of Argentina's exports during 1996.

Argentina's trade and investment have tremendous potential to grow along with hemispheric economic integration. Macroeconomic stability in Brazil and continued strength of the Brazilian Real are important variables for Argentina's foreign trade in 1997. On an upbeat note, Chile's association with MERCOSUR, as of October. 1, 1996, improved access for Argentine exports to East Asia via Chilean ports.

The U.S. registered trade surpluses with Argentina from 1993 to 1996 totaling nearly $11 billion. The surplus is expected to increase by $2 billion for 1997--due in large part to Argentina's continued demand for capital goods as well as the recovery of the domestic economy. This reflects the Argentine Government's policy of encouraging modernization and improved competitiveness for Argentine industry.

Argentina adheres to most treaties and international agreements on intellectual property. It is a member of the World Intellectual Property Organization and signed the Uruguay Round agreements in December 1993--including measures related to intellectual property. However, extension of adequate patent protection to pharmaceuticals has been a highly contentious bilateral issue. In January 1997, the U.S. announced it would suspend 50% of Argentina's GSP benefits because of its unsatisfactory pharmaceutical patent law.

Investment

U.S. direct investment in Argentina, an estimated $10 billion in mid-1996, is concentrated in telecommunications, banking, electric energy generation, gas and petroleum production, food processing, and motor vehicle manufacturing. Additional direct U.S. investment of $2 billion is expected in 1997.

The U.S. and Argentina have an Overseas Private Investment Corporation (OPIC) agreement and an active U.S. Export-Import Bank (EXIMBANK) program. Total EXIMBANK exposure in Argentina approaches $2.5 billion, and the OPIC portfolio is approaching the country limit.

The Argentine Government has announced privatization of the postal service, which already competes with several large private mail companies. There are also plans to privatize many of Argentina's airports, including Ezeiza International Airport in Buenos Aires, by September 1997.

Under the 1994 U.S.-Argentine bilateral investment treaty, U.S. investors enjoy national treatment in all sectors except shipbuilding, fishing, nuclear power generation, and uranium production. The treaty allows for international arbitration of investment disputes.

GOVERNMENT AND POLITICAL CONDITIONS

After years of instability, Argentina is today a fully functioning democracy. During President Carlos Menem's first term (1989-1995), he dramatically reordered Argentina's foreign and domestic policies. His overwhelming reelection in May 1995--in the face of hardships caused by economic restructuring and exacerbated by the Mexico peso crisis--provided a mandate for his free market economic strategy and pro-U.S. foreign policy. Menem's second term ends in July 1999; the constitution does not provide for a sitting president to succeed himself more than once.

The constitution of 1853, as revised in 1994, mandates a separation of powers into executive, legislative, and judicial branches at the national and provincial level. Each province also has its own constitution which roughly mirrors the structure of the national constitution.

The president and vice president were traditionally elected indirectly by an electoral college to a single six-year term. They were not allowed immediately to seek reelection. Constitutional reforms adopted in August 1994 reduced the presidential term to four years, abolished the electoral college in favor of direct election, and allowed a sitting president to stand for reelection after his or her first term. Cabinet ministers are appointed by the president. The constitution grants the president considerable power, including a line-item veto.

Provinces traditionally sent two senators, elected by provincial legislatures, to the upper house of Congress. Voters in the federal capital of Buenos Aires elected an electoral college which elected the city's senators. The constitution now mandates a transition to direct election for all senators, and the addition of a third senator from each province and the capital. The third senator will represent the electoral district's largest minority party. The revised constitution reduces senatorial terms from nine to six years in office. One third of the Senate stands for reelection every three years.

Members of the Chamber of Deputies are directly elected to four-year terms. Voters elect half the members of the lower house every two years through a system of proportional representation.

Other important changes to the constitutional system included the creation of a senior coordinating minister to serve under the president and the popular election of the mayor of the city of Buenos Aires. The constitution establishes the judiciary as a separate and independent entity of government. The president appoints members of the Supreme Court with the consent of the Senate. Other federal judges are appointed by a special judicial commission. The Supreme Court has the power, first asserted in 1854, to declare legislative acts unconstitutional.

Political Parties
The two largest political parties are the Partido Justicialista or Peronist Party (PJ), which evolved out of Juan Peron's efforts to expand the role of labor in the political process in the 1940s, and the Union Civica Radical, or Radical Civic Union (UCR), founded in 1890. Traditionally, the UCR has had more urban middle-class support and the PJ has received more labor support. Support for both parties is broadly based. A grouping of mostly left parties and former peronists--the Front for a Country of Solidarity (FREPASO)--has emerged in the 1990s as a serious political contender especially in the Federal Capital. Smaller parties occupy various positions on the political spectrum and some are active only in certain provinces.

Historically, organized labor (largely tied to Menem's Peronist Party) and the armed forces have also played significant roles in national life. Labor is only just emerging from disarray; its political power has been significantly weakened by Menem's free market reforms. The armed forces are firmly under civilian control. Repudiated by the public after a period of military rule (1976-83), marked by human rights violations, economic decline, and military defeat in the 1982 Falkland Islands war, the Argentine military is now a slimmed-down, all volunteer force focused largely on international peacekeeping.

Government Policy
The Menem Administration has pursued wide-ranging economic reforms designed to open the Argentine economy and enhance its international competitiveness. Privatization, deregulation, fewer import barriers, and a fixed exchange rate have been cornerstones of this effort. All these changes have dramatically reduced the role of the Argentine state in regulating the domestic market. The reform agenda, however, remains incomplete, including needed improvements in the judicial system and provincial administration.

National Security
The president and a civilian minister of defense control the Argentine armed forces. The paramilitary forces under the control of the Ministry of Interior are the *Gendarmeria* (border police) and the *Prefectura Naval* (coast guard). The Argentine armed forces maintain close defense cooperation and military supply relationships with the United States. Other countries also have military relationships with the Argentine forces, principally Israel, Germany, France, Spain, and Italy. The lack of budgetary resources is the most serious problem facing the Argentine military. Current economic conditions and the government's commitment to reduce public sector spending have slowed modernization and restructuring efforts. Under President Menem, Argentina's traditionally difficult relations with its neighbors have improved dramatically and Argentine officials publicly deny seeing a potential threat from any neighboring country.

PEOPLE

Argentines are a fusion of diverse national and ethnic groups. Descendants of Italian and Spanish immigrants predominate. Waves of immigrants from many European countries arrived in the late 19th and early 20th centuries. Syrian, Lebanese, and other Middle Eastern immigrants number about 500,000, mainly in urban areas. Argentina has the largest Jewish population in Latin America, about 250,000 strong. In recent years, there has been a substantial influx of immigrants from neighboring Latin American countries. The native Indian population, now estimated at 50,000, is concentrated in the peripheral provinces of the north, northwest, and south. The Argentine population has one of Latin America's lowest growth rates. Eighty percent of the population resides in urban areas of more than 2,000 and more than one-third of the population lives in the greater Buenos Aires area. This sprawling metropolis, with about 12 million inhabitants, serves as the focus for national life. Argentines enjoy comparatively high standards of living; half the population considers itself middle class.

HISTORICAL HIGHLIGHTS

Europeans arrived in the region with the 1502 voyage of Amerigo Vespucci. Spanish navigator Juan Diaz de Solias visited what is now Argentina in 1516. Spain established a permanent colony on the site of Buenos Aires in 1580. They further integrated Argentina into their empire following the establishment of the Vice-Royalty of Rio de la Plata in 1776, and Buenos Aires became a flourishing port.

Buenos Aires formally declared independence from Spain on July 9, 1816. Argentines revere General Jose de San Martin, who campaigned in Argentina, Chile, and Peru, as the hero of their national independence. Following the defeat of the Spanish, centralist and federalist groups waged a lengthy conflict between themselves to determine the future of the nation. National unity was established and the constitution promulgated in 1853.

Two forces combined to create the modern Argentine nation in the late 19th century: the introduction of modern agricultural techniques and the integration of Argentina into the world economy. Foreign investment and immigration from Europe aided this economic revolution. The investment, primarily British, came in such fields as railroads and ports. The migrants who worked to develop Argentina's resources came from throughout Europe, but mostly from Italy and Spain.

Conservative forces dominated Argentine politics until 1916, when their traditional rivals, the Radicals, won control of the government through a democratic election. The Radicals, with their emphasis on fair elections and democratic institutions, opened their doors to Argentina's expanding middle class as well as to elites previously excluded from power for various reasons. The Argentine military forced aged Radical President Hipolito Yrigoyen from power in 1930 and ushered in another decade of Conservative rule.

Using fraud and force when necessary, the governments of the 1930s attempted to contain forces for economic and political change that eventually helped produce the governments of Juan Domingo Peron (b. 1897). New social and political forces were seeking political power. These included the modern military and the labor movement that emerged from the growing urban working class.

The military ousted Argentina's constitutional government in 1943. Peron, then an army colonel, was one of the coup's leaders, and he soon became the government's dominant figure as minister of labor. Elections carried him to the presidency in 1946. He aggressively pursued policies aimed at giving an economic and political voice to the working class and greatly expanded the number of unionized workers. In 1947, Peron announced the first five-year plan based on nationalization and industrialization. He presented himself as a friend of labor and assisted in establishing the powerful General Confederation of Labor (CGT). Peron's dynamic wife, Eva Duarte de Peron, known as Evita (1919-1952), helped her husband develop his appeals to labor and women's groups. Women obtained the right to vote in 1947.

Peron won reelection in 1952, but the military deposed him in 1955. He went into exile, eventually settling in Spain. In the 1950s and 1960s, military and civilian administrations traded power. They tried, with limited success, to deal with diminished economic growth and continued social and labor demands. When military governments failed to revive the economy and suppress escalating terrorism in the late 1960s and early 1970s, the way was open for Peron's return.

On March 11, 1973, Argentina held general elections for the first time in ten years. Peron was prevented from running, but voters elected his stand-in, Dr. Hector J. Campora, to the presidency. Peron's followers also commanded strong majorities in both houses of the National Congress, which assumed office on May 25, 1973. Campora resigned in July 1973, paving the way for new elections.

Peron won a decisive victory and returned as President in October 1973 with his third wife, Maria Estela Isabel Martinez de Peron, as Vice President.

During this period, extremists on the left and right carried out terrorist acts with a frequency that threatened public order. The government resorted to a number of emergency decrees, including the implementation of special executive authority to deal with violence. This allowed the government to imprison persons indefinitely without charge.

Peron died on July 1, 1974. His wife succeeded him in office, but her administration was undermined by economic problems, Peronist intraparty struggles, and growing terrorism from both left and right. A military coup removed her from office on March 24, 1976. Until December 10, 1983, the armed forces formally exercised power through a junta composed of the three service commanders.

The armed forces applied harsh measures against terrorists and their sympathizers. They silenced armed opposition and restored basic order. The costs of what became known as the "Dirty War" were high in terms of lives lost and basic human rights violated.

Serious economic problems, defeat by the U.K. in 1982 after an unsuccessful Argentine attempt to forcibly take control of the Falklands/Malvinas Islands, public revulsion in the face of severe human rights abuses, and mounting charges of corruption combined to discredit and discourage the military regime. This prompted a period of gradual transition and led the country toward democratic rule. Acting under public pressure, the junta lifted bans on political parties and restored other basic political liberties. Argentina experienced a generally successful and peaceful return to democracy.

On October 30, 1983, Argentines went to the polls to choose a president, vice president, and national, provincial, and local officials in elections international observers found to be fair, open, and honest. The country returned to constitutional rule after Raul Alfonsin, candidate of the Radial Civic Union (UCR), received 52% of the popular vote for president. He began a six-year term of office on December 10, 1983.

In 1985 and 1987, large turnouts for mid-term elections demonstrated continued public support for a strong and vigorous democratic system. The UCR-led government took steps to resolve some of the nation's most pressing problems, including accounting for those who disappeared during military rule, establishing civilian control of the armed forces, and consolidating democratic institutions. However, constant friction with the military, failure to resolve endemic economic problems, and an inability to maintain public confidence undermined the Alfonsin Government's effectiveness, which left office six months early after peronist candidate Carlos Saul Menem won the 1989 presidential elections.

As President, Menem launched a major overhaul of Argentine domestic policy. Large-scale structural reforms have dramatically reversed the role of the state in Argentine economic life. A decisive leader pressing a controversial agenda, Menem has not been reluctant to use the presidency's extensive powers to issue decrees advancing modernization when the congress was unable to reach consensus on his proposed reforms. Those powers were curtailed somewhat when the constitution was reformed in 1994 as a result of the so-called Olivos Pact with the opposition Radical Party. That arrangement opened the way for Menem to seek and win reelection with 50% of the vote in the three-way 1995 presidential race.

The 1995 election saw the emergence of the moderate left FREPASO political alliance. This alternative to the traditional two main political parties in Argentina is particularly strong in Buenos Aires, but as yet lacks the national infrastructure of the Peronist and Radical parties. In an important development in Argentina's political life, all three major contestants in the 1995 race espouses free market economic policies.

Argentina will hold mid-term congressional elections in October 1997. These are widely seen as setting the stage for the 1999 presidential race. The government's pro-market policies remain unchallenged, but continued high unemployment and growing public concern over corruption have hurt the government's standing in public opinion polls.

FOREIGN POLICY

In foreign policy, Menem has dramatically made partnership with the United States the centerpiece of his approach. Argentina was the only Latin American country to participate in the Gulf war and all phases of the Haiti operation. It has contributed to UN peacekeeping operations worldwide, and has offered to send peacekeepers to Eastern Slavonia and police to the international Police Task force in Bosnia. Menem was an enthusiastic supporter of the December 1994 Summit of the Americas. At the UN, Argentina is one of the U.S.'s closest collaborators. In regional fora, such as the OAS and Rio Group, Argentina has repeatedly advanced U.S. goals.

Eager for closer ties to developed nations, Argentina has pursued relationships with the OECD, and even NATO, and has left the Non-Aligned Movement. It has become a leading advocate of nonproliferation efforts worldwide. A strong proponent of enhanced regional stability in South America, Argentina has revitalized its relationship with Brazil, settled lingering border disputes with Chile, and restored diplomatic relations with the United Kingdom. In September 1995, Argentina and the UK signed an agreement to promote oil and gas exploration in the Southwest Atlantic, defusing a potentially difficult issue and opening the way to further cooperation between the two nations.

Principal Government Officials
President--Carlos Saul Menem
Minister of Foreign Affairs--Guido Di Tella
Ambassador to the United States--Diego Guelar
Ambassador to the Organization of American States--Alicia Martinez Rios
Ambassador to the United Nations--Fernando Petrella

Diplomatic/Consular Offices in the United States
Argentina maintains an embassy in the United States at 1600 New Hampshire Ave. NW, Washington DC 20009 (tel. 202-939-6400; FAX 202-332-3171).

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Tel: (404) 880-0805; Fax: (404) 880-0806

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1990 Post Oak Blvd., Suite 770
Houston, TX 77056
Tel: (713) 871-8935; Fax (713) 871-1639

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Miami, FL 33131
Tel: (305) 373-7794; Fax: (305) 371-7108

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Washington, DC:
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Washington, DC 20009
Tel: (202) 797-8826

Office of the Economic and Trade Representative
1901 L St., NW
Washington, DC 20036
Tel: (202) 56-4475

Contact List:
American Chamber of Commerce in Argentina
Viamonte 1133, 8th floor
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U.S. Department of Commerce
Office of Latin America and the Caribbean
International Trade Administration
14th and Constitution Avenue, NW
Washington, DC 20230
Tel: 202-482-2436; 1-800-USA-TRADE; Fax: 202-482-4726; Internet: http://www.ita.doc.gov
Automated fax service for trade-related information: 202-482-4464

TRAVEL AND BUSINESS INFORMATION

The U.S. Department of State's Consular Information Program provides Travel Warnings and Consular Information Sheets. **Travel Warnings** are issued when the State Department recommends that Americans avoid travel to a certain country. **Consular Information Sheets** exist for all countries and include information on immigration practices, currency regulations, health conditions, areas of instability, crime and security, political disturbances, and the addresses of the U.S. posts in the country. **Public Announcements** are issued as a means to disseminate information quickly about terrorist threats and other relatively short-term conditions overseas which pose significant risks to the security of American travelers. Free copies of this information are available by calling the Bureau of Consular Affairs at 202-647-5225 or via the fax-on-demand system: 202-647-3000. Travel Warnings and Consular Information Sheets also are available on the Consular Affairs Internet home page: http://travel.state.gov and the **Consular Affairs Bulletin Board (CABB)**. To access CABB, dial the modem number: (301-946-4400 (it will accommodate up to 33,600 bps), set terminal communications program to N-8-1 (no parity, 8 bits, 1 stop bit); and terminal emulation to VT100. The login is **travel** and the password is **info** (Note: Lower case is required). The CABB also carries international security information from the Overseas Security Advisory Council and Department's Bureau of Diplomatic Security. Consular Affairs Trips for Travelers publication series, which contain information on obtaining passports and planning a safe trip abroad, can be purchased from the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954; telephone: 202-512-1800; fax 202-512-2250.

Emergency information concerning Americans traveling abroad may be obtained from the Office of Overseas Citizens Services at (202) 647-5225. For after-hours emergencies, Sundays and holidays, call 202-647-4000.

Passport Services information can be obtained by calling the 24-hour, 7-day a week automated system ($.35 per minute) or live operators 8 a.m. to 8 p.m. (EST) Monday-Friday ($1.05 per minute). The number is 1-900-225-5674 (TDD: 1-900-225-7778). Major credit card users (for a flat rate of $4.95) may call 1-888-362-8668 (TDD: 1-888-498-3648)

Travelers can check the **latest health information** with the U.S. Centers for Disease Control and Prevention in Atlanta, Georgia. A hotline at (404) 332-4559 gives the most recent health advisories, immunization recommendations or requirements, and advice on food and drinking water safety for regions and countries. A booklet entitled *Health Information for International Travel* (HHS publication number CDC-95-8280) is available from the U.S. Government Printing Office, Washington, DC 20402, tel. (202) 512-1800.

Information on **travel conditions, visa requirements, currency and customs regulations, legal holidays, and other items of interest to travelers** also may be obtained before your departure from a country's embassy and/or consulates in the U.S. (for this country, see "Principal Government Officials" listing in this publication).

U.S. citizens who are long-term visitors or traveling in dangerous areas are encouraged to register at the U.S. embassy upon arrival in a country (see "Principal U.S. Embassy Officials" listing in this publication). This may help family members contact you in case of an emergency.

Further Electronic Information:

Department of State Foreign Affairs Network. Available on the Internet, DOSFAN provides timely, global access to official U.S. foreign policy information. Updated daily, DOSFAN includes *Background Notes*; *Dispatch*, the official magazine of U.S. foreign policy; daily press briefings; *Country Commercial Guides*; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at http://www.state.gov.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on a semi-annual basis by the U.S. Department of State, USFAC archives information on the Department of State Foreign Affairs Network, and includes an array of official foreign policy information from 1990 to the present. Contact the Superintendent of Documents, U.S. Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250-7954. To order, call (202) 512-1800 or fax (202) 512-2250.

National Trade Data Bank (NTDB). Operated by the U.S. Department of Commerce, the NTDB contains a wealth of trade-related information. It is available on the Internet (www.stat-usa.gov) and on CD-ROM. Call the NTDB Help-Line at (202) 482-1986 for more information.

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Selected Transcripts and Speech Texts

10/7/97	Press Briefing on The President's Trip to South America National Security Advisor Samuel R. Berger Special Envoy Thomas F. (Mack) McLarty
9/12/97	"From Miami to Santiago to 2005" Remarks to The Miami Herald America Conference Special Envoy Thomas F. (Mack) McLarty
6/16/97	"The Year of the Americas: Mid-term Review" Remarks to the Johns Hopkins School of Advanced International Studies Special Envoy Thomas F. (Mack) McLarty
4/28/97	Welcoming Remarks to the Council of the Americas Secretary of State Madeleine K. Albright
3/19/97	Testimony before the House International Relations Committee, Subcommittee on the Western Hemisphere Assistant Secretary of State for Inter-American Affairs Jeffrey Davidow

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release October 7, 1997

PRESS BRIEFING BY ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS SANDY BERGER AND COUNSEL TO THE PRESIDENT MACK MCLARTY ON PRESIDENT'S TRIP TO SOUTH AMERICA

The Briefing Room

3:13 P.M. EDT

MR. BERGER: Since you always get to ask the questions, I thought I would begin this briefing with a small quiz. Open book exam. You can look on the person to your right and to your left. Hold your answers. Which country is America's largest supplier of oil? (Laughter.) Hold up. Which country has reduced inflation from 1600 percent in 1990 -- (laughter) -- I had a guy in my class just like you when I was in high school -- to below 5 percent today and now is the 8th largest economy in the world? Which country sent peacekeepers to over a dozen missions in the last seven years, including the Persian Gulf, Haiti, Bosnia, Rwanda, Cambodia, Central America, Western Sahara, Mozambique, and Cyprus?

The answers, as Mr. Hunt undoubtedly knows, are Venezuela, Brazil and Argentina, the countries we are visiting next week. This cheap little exercise on my part has a point. In the last decade the Americas have undergone a dramatic transformation. Not so long ago, this hemisphere was marked by military dictatorship, repression, insurgencies, violent coups, inefficient command economies. Today, every nation in the hemisphere is a democracy, but one. Human rights have dramatically improved. Trade barriers have come down, and the markets of the region are expected to grow three times as fast as our own very healthy economy.

This trip is an opportunity to highlight South America's quiet and impressive revolution. To capitalize on these historic trends, President Clinton and the other leaders in the region set out a blueprint at the Miami Summit to bring our hemisphere together around common values -- democratic governments, open markets, cooperation on common problems. In South America next week, the President will seek to advance this hemispheric agenda, which includes trade, education, the environment and democracy, and highlight initiatives that we hope to develop further for the second Summit of the Americas in Santiago next April.

Now, let me take you on the magic carpet of next week. Starting on Sunday morning, we will leave in the morning and travel to Venezuela to meet with President Caldera, one of this hemisphere's most stalwart proponents of freedom over the past number of years. The President will pay tribute to the people of Venezuela for their extraordinary success in strengthening democracy and the rule of law.

In Venezuela, the President also will highlight our close partnership on developing clean and reliable energy supplies for the future. As those of you who got the first question correct know, more than half of the United States foreign supply of oil comes from this hemisphere. In Venezuela, which last year replaced Saudi Arabia as our top supplier of foreign oil, 18 percent, is poised to increase its share of the U.S. market. This has important ramifications, obviously, for U.S. security and prosperity, as does the other major item on our agenda in Venezuela -- increasing our counternarcotics cooperation by strengthening judiciaries, expanding customs cooperation, improving maritime cooperation and things of that sort.

Following the arrival ceremony in Caracas, a short meeting with congressional leaders at the airport, the President will lay a wreath at the tomb of Simon Bolivar, the hero of Venezuelan independence and a symbol of the aspiration for South American integration. He will meet with embassy staff, attend a state dinner and a reception at the President's home.

On Monday morning, the President will drop by a breakfast hosted by the Venezuelan American Chamber of Commerce, then hold a bilateral meeting with President Caldera and deliver an outdoor speech.

I should say that, as with all of these trips, schedules tend to move a little bit as you get each day closer to departure, so there may be rearrangements here that take place. But this essentially the itinerary.

On Monday afternoon, the President will travel to Brazil, the largest multiracial democracy in South America. The agenda there with President Cardoso will focus on trade, education and training, and access to technology, as President Cardoso continues his effort to both sustained growth and to create greater equity within Brazil. We will also address the environment as well, and Brazil's leadership, building a strong partnership with us on global and security issues.

Let me just say, Brazil is a perfect example of the economic growth that has been experienced in this hemisphere. In 1900 when Brazil had annual inflation of 1,600 percent -- question two on your quiz -- GDP growth was less than 2 percent, foreign investment was below $1 billion. Today, inflation has dropped to under 5 percent, GDP has been over 4 percent for the last three years, and the government projects investment levels will reach nearly $10 billion this year.

Monday evening the President will attend a reception, state dinner in Brasilia. Tuesday morning he will meet with President Cardoso, hold a joint press conference -- both joint in terms of Cardoso and Clinton, joint in terms of our press corps and theirs. In the afternoon, the President will pay a brief call on the leadership of the Brazilian Congress, acknowledging Brazil's dynamic democracy. He will then visit with the Embassy community before departing in the afternoon for Sao Paulo.

On Wednesday morning, the President will address 1,600 business leaders and stress the importance of open markets which have put the hemisphere squarely on the path to improving economic growth -- more jobs, more widespread prosperity. And he'll also discuss the policies embraced here and in Brazil to try to make sure that no one is left behind in this emerging new global economy.

The President then will fly to Rio de Janeiro, coming from the business meeting in the morning -- in the afternoon, to Rio de Janeiro to a poorer area of the city where he will speak to students and teachers at a model public-private educational partnership in the shanty town of the city. And there he will emphasize that as we open our markets, we have to also open education to all of our children and give them the tools to succeed.

Finally, Argentina. The President will arrive there on Wednesday evening and highlight our joint efforts to promote international peace and security and protect the environment.

As another reflection of how far these countries have traveled in a short time, the last American President to visit Argentina was President Bush in 1990. He went at a time right after a failed military uprising against a civilian government, a time of great instability. Since then, the administration and the Argentine Congress have cut the armed forces to a third of their former strength, deploying them largely to the international peacekeeping exercises, missions I mentioned earlier.

In 1990, the Argentine economy was suffering runaway hyperinflation, GDP spiraling downward. Menem embarked on a dramatic stabilization program resulting in near-zero inflation, expanded trade and foreign investment. As a result, the Argentine economy is expected to grow 8 percent in 1997.

On Thursday, the official schedule in Argentina begins with a wreath-laying at Plaza San Martin. The President will make brief remarks there, highlighting Argentina's contribution to international peacekeeping. After the bilateral with President Menem, the President will go to a television studio for a town hall conversation on the Americas, which will be broadcast live by the Univision network to the entire hemisphere. The President will take questions from young leaders in three cities -- in Buenos Aires, in Los Angeles, and in Miami. And the audience will be comprised of young leaders in education, business, the environment, antidrug efforts, poverty groups, arts, et cetera -- a very broad cross-section.

Before the town hall, the President will meet with Jewish leaders in Argentina, relatives of the victims of the terrorist bombings of the Israeli Embassy and the Jewish Community Center in 1992 and 1994, respectively, which, combined, killed I believe 115 people. He'll also meet with leaders of the opposition alliance to demonstrate our support for the democratic process and indicate our neutrality in the upcoming congressional elections in Argentina. He has a state dinner and a reception that evening.

On Friday morning, the President will drop by a business leaders breakfast hosted by the Argentine Chamber of Commerce, visit the embassy, then depart for Bariloche, where on Saturday morning, President Clinton and President Menem will participate in an environmental event to highlight our commitment to protect the environment we all share.

We then get back on the plane and fly very late at night and get back in Washington, D.C., some time Saturday night or Sunday morning.

Let me now ask Mack McLarty, who has been all four horsemen of this Latin American effort to add a few comments.

MR. MCLARTY: Well, Professor Berger, thank you very much. You're a great trip director as well as a great academician.

Let me just reinforce a couple of points that Sandy made, and instead of beginning with a pop quiz, let me begin with a commentary made by James Reston, that Americans would do almost anything for Latin America, but read about it. So, hopefully, this trip will be positive and helpful in that regard.

Sandy underscored the profound change that has taken place, and I have seen that firsthand in my visits to the region in the last two and a half years. And I think those of you who have not traveled to the region will find indeed a new set of realities in that these countries have truly arrived on the world stage. I think you also will find a maturing and a confident leadership in Venezuela, Argentina and Brazil, and a maturing, more candid relationship with the United States.

Sandy has already pointed out some of the real highlights of each of the individual stops on our visit and the importance of them. I would make only a couple of points in terms of the increasing democratic governance. Throughout Latin America, you clearly find increasing political liberty, but not fully developed democratic institutions. And part of the purpose of this second of three trips to the region by the President is to support this deepening of democracy and these developments of democratic institutions that are so critical in terms of strengthening democracies as well as the economies.

From an economic standpoint, I think you will find increasingly open markets, but not a fully developed infrastructure to support those open markets. So it's important, as the fast track debate underscores, that we keep momentum in the process of open and fair trade throughout this hemisphere and beyond as we move toward our goal of a free trade area by the year 2005.

In terms of human development, clearly, I think you will see an increasing emphasis on lifting those out of poverty with opportunity, with an emphasis on education which I believe will be the centerpiece of the Santiago summit, and a developing middle class.

Now, I think finally what is at stake here from a United States' standpoint -- or what Secretary Albright calls "kitchen table issues" -- issues in this hemisphere that affect the daily lives of Americans. First, on the opportunity, the upside I think primarily is on the economic side including energy. From an economic standpoint, our exports to the region are growing at twice the rate that they are to any other region in the world. By the year 2010, our exports in this hemisphere are expected to be greater than to the European Union and Japan combined.

A couple of examples are noteworthy. We export more to Chile, a country of 14 million people, than we do to India, a country of over 900 million people. We export more to Central America than we do to all of the former Soviet states combined. The point I am making, this is a natural market -- it's an extension of Main Street -- but not a market that we can or should take for granted.

In terms of energy development, I think Sandy covered that in a comprehensive manner, but I would underscore to all of you today how important energy is to our overall economy, as well as our economic and energy security.

Finally, I think, in terms of affecting U.S. citizens' lives on a daily basis, we will see areas of, frankly, challenge and problems, whether it be increased cooperation on narcotics and narcotics trafficking, increased cooperation on the environment and environmental degradation or environmental stewardship, and increased cooperation of terrorism.

The real challenge of what the President will, I think, demonstrate in this trip is to make cooperation work on a sustained basis. That is what clearly is the key from the road that began in Miami at the Summit of the Americans where an architecture was put in place for the road to Santiago in April of 1998.

I think we will hope to accomplish a deepened partnership throughout the hemisphere, a partnership increasingly based on mutual respect and mutual trust. This is not only a discussion of the near-term, but the longer-term. Latin America is a young hemisphere in terms of its demographics. Half of the population in South America is under 17 years of age, and that's really what's at stake here in terms of the longer-term of our relationship. What we hope to accomplish is to deepen not only the partnership, but a true family of the Americas that will impact the families of the Americas in a positive and meaningful way.

With those comments made, Sandy, I will open it up to questions.

Q Sandy, neither one of you specifically mentioned fast track. Do you expect the President to use this trip to build a case for the fast track legislation? And also, on that topic, the Brazilian Ambassador, at a briefing last week, said they really don't care if fast track passes because if it does, that would probably just make them open their markets more. Where does that kind of a reaction play into this whole debate?

MR. BERGER: Well, let me answer the first part and then Mack on the Brazilian question. First of all, Mack -- I specifically heard him talk about fast track, mention fast track. Fast track is extraordinarily important. It is important to our continued growth in a global economy, and whether that's in South America or whether it's in Asia or whether it is sectoral agreements like the recent telecommunication agreement, a mature economy grows by exports and creating jobs through exports.

It is also extraordinarily important in terms of America's leadership position in the world, because the patterns of commerce that are developed through trade also become the patterns of influence and importance in other areas. And as we step out of the game of trade agreements in the past year or two because we haven't had fast track, we've seen South America increasingly looking to Europe, looking to Asia, and economic and political relationships getting developed, which ought to be instead deepening American relationships.

So it's extremely important to us, extremely important to the United States. I'm sure the President will talk about it with each of these leaders. Obviously, the problem we have right now is one that lies with the Congress -- the challenge we have now is one that lies with the Congress, and so he's not going to sit in Buenos Aires and talk about a political debate in the United States. But it is clearly something that is on the mind of Latin American leaders as I think, in part, they see as a reflection of whether or not we are going to continue to lead or whether we are going to withdraw and retreat. And so, I think it has an important symbolic, as well as a very important economic, basis to it.

On the specific Brazilian comment, I think that's not an accurate quote, but let me --

MR. MCLARTY: Terry, let me try to tie the two together very quickly. I think we believe that open markets clearly reinforce open society, so we see the two pillars, two of the three pillars of the Miami Summit -- that is increased democracy and economic integration -- mutually supportive of each other.

We have a region in the hemisphere that wants to move toward economic integration, and it is a natural integration. Fast track is the needed authority to move forward with the next bilateral trade agreement, which is Chile. But I would emphasize that broad fast track authority, as important as it is for leadership in this hemisphere and to preserve and increase our position of leadership, it is broad fast track authority that's also important, as Sandy said, in the Asia Pacific region, as well as from a sectorial and WTO standpoint.

In terms of Brazil, I met with President Cardoso last week, and I had a discussion last night with Ambassador Flecha de Lima from Brazil. I think the comments were some in Brazil would not be disappointed to see that fast track would not be passed. I think President Cardoso will be very supportive of moving toward a free trade area of the Americas by the year 2005. I think Brazil will be supportive of launching negotiations at the Santiago Summit in April. There are obviously some differences of views about how to get there, and we have been consistent, as I was two weeks ago in Sao Paulo, that there are multiple paths, different ways, either bilateral agreements, regional agreements, other mechanisms toward achieving a deepening economic integration.

Q Does the fact that you don't have fast track before going on this trip, which is something that folks had kind of freely talked about before, does that alter the nature of this trip, does it diminish it in any way?

MR. BERGER: No, I don't think so. I think that the leaders and the press and others who will be commenting on this trip follow what's going on very carefully in Washington. They know the President is making a strong effort to get this enacted. We will have had passage to the Senate Finance Committee. Tomorrow, the House Ways and Means Committee will take up a bill in which a bipartisan agreement was achieved early this morning and we're hopeful that the House Ways and Means Committee will adopt this bipartisan bill. So I think that they see a strong effort being made here. They know it's a difficult and challenging debate here in the United States, but I don't see it -- the fact that it's not done, I don't see it having effect.

Q I mean, from the standpoint of the President. He's going there under a different set of circumstances than you had wanted. Does that limit --

MR. MCLARTY: I think -- we're going back to Chile, to Santiago, next year where we hope to launch the negotiations for a free trade area of the Americas. As Mack pointed out, that's not --there's many ways you can get there. But the effort, hopefully, will be launched in April. I think by that time it will be important for us to have this authority because if others are going to see us as credible in engaging in that discussion beginning in April, obviously it will be important for us to have fast track. I don't see it as that critical to this particular trip, particularly since they will see the President making a very strong effort to get it enacted.

Q Mr. Berger, how will the President approach the human rights issue? Specifically, former President Carter has pointed to a number of abuses -- child labor and other abuses in Brazil, specifically. And when he gets to Argentina, will he talk about the series of murders of journalists and the disappearances of journalists and others that have still gone on there recently?

MR. BERGER: I think unquestionably. As Mack pointed out, these are countries that have come an enormous distance from -- you think of what we knew of Argentina or some of these other countries just 10 years ago -- to elected governments, to revival of democracy, but there are still -- in many cases, these are still works in progress, these are imperfect. And I think in every stop the President will talk about helping to solidify democracy, helping to build civil society, helping to establish civil rights and civil liberties and human rights -- it was a very important theme in Miami and it's very important, I think, for the President to raise those issues as he travels through the hemisphere.

Q Do you consider the militaries of the countries that the President's going to be visiting to be now totally under civilian control?

MR. MCLARTY: The answer is, yes, we do. The countries we're visiting clearly have made the transition from an authoritarian military dictatorship in some cases to a civil democracy with open, I think, and fair elections. I have had the opportunity to visit with all of the defense ministers in each of the countries we're traveling to, as well a the presidents, and I think you will clearly find civil control over the military.

Q Mr. Berger, the new military status the United States will give to Argentina during the trip seems to have raised some problems with some neighbors in the Southern Cone -- Brazil, Chile, Peru. Would you care to --

MR. BERGER: I wouldn't describe it as a new military status. There is something called a non-NATO military ally. Let me just finish -- which goes under the enormously difficult to pronounce acronym, NMNA, and we can't give it to many people because we can't pronounce it. (Laughter.) But this is the first time in the post-Cold War period that we have conferred this status -- or actually at this point, we are consulting with Congress, the President's noticed Congress on it -- and this is done primarily, not completely, to recognize Argentina's extraordinary peacekeeping role.

Increasingly, we are cooperating with countries around the world in joint peacekeeping efforts, and I ticked off some of the 16 missions that Argentina has been on over the past several years, from Bosnia to Haiti, to Cyprus to Mozambique, to Cambodia. And so we are peacekeeping allies, and that is what the status means. And I think it is understood by the Argentines in that way and will be understood by others in the hemisphere in that way.

Q What comes with the status? I mean, it's a recognition, but do they get anything in addition to that recognition?

MR. BERGER: There are certain programs that traditionally have been open and available to countries that have this designation -- EDA under the Defense Department, for example. I think it is mainly a reflection of the partnership that we have with Argentina on peacekeeping around the world, and the leadership that they have shown not just in their own hemisphere, but across the world. There are very few countries that have the record that Argentina has in leading on peacekeeping. And this is something we wanted to recognize and to embrace and to encourage.

Q Isn't it creating a new rivalry in the region where you say there is a new harmony --

MR. BERGER: No, I don't believe so. First of all, it will be open to others, this is not something that we would not do again in other circumstances to other countries that are engaged in peacekeeping. Number two, we have very strong relations with all of the countries in the region and particularly all the countries in the Southern Cone, where Argentina resides near Brazil and Chile and others. So I don't believe that needs to be the case.

Q But, Sandy -- not disputing the premise of that, the Brazilians are upset, right? What can you do to --

MR. BERGER: I don't think the Brazilians have been terribly upset. I think the Chileans have expressed some concern about it. But I think as we've explained it to them, I think they've come to understand that this is not a security alliance, it's not a -- they're not the 20th member of NATO. This is a designation to reflect the very close partnership that we have on peacekeeping.

MR. MCLARTY: Well, I think, John, the real issue with the Brazilians has been the U.N. Security Council permanent seat. That has been their primary issue. And our position, and we think the correct one, is the position that Ambassador Richardson laid out, to expand the Permanent Council to 20 to 21 members, but to strongly support a hemispheric seat, but to have a consensus built within the region as to who would occupy that seat if it's permanent or on a rotating basis.

And we covered that in some detail with the Brazilians. I think they understand that position and see it supporting the region. And I think, going back to the earlier question in terms of cooperation regionally, I think the cooperation from a military standpoint is at an unprecedented level in the region, and we certainly have encouraged that and will continue to do so.

Q On the last weekend, will we see the President outline his position on the global climate change? It's coming up in Bonn the next day and he'll have that environmental --

MR. BERGER: I think he'll do that upon his return.

Q He'll wait until he gets back here, he won't do it in --

MR. BERGER: That's what I would expect.

Q Can I ask two questions of Mack about your tenure? One, will you continue in this role on to Santiago as the kind of specialist for Latin America?

MR. MCLARTY: I'm just hoping to make this big trip Sandy outlined and get out of the briefing room.

Q Well, before you get out of the briefing, can I ask you about your tenure to this point, both as former Chief of Staff and as a participant in some of the coffees where the videotapes show that you were one of those that --

MR. MCLARTY: Now, how are you going to tie this into the Latin America agenda, Ann? Go ahead.

Q Did it occur to you when you were a participant in some of these coffees, and you as a former Chief of Staff know how the videotaping works around here, that there would be videotapes of these events, and why they weren't discovered earlier?

MR. MCLARTY: No, I don't know anything about the last part, the videotaping -- the President normally has videotaping most of the places he goes. I, frankly, did not get into that level of detail. As far as the coffees, I understood they were political outreach events.

Q But if the Counsel sends out a memo to all White House staffers saying please come up with anything in your files having to do with these persons and these occasions, would it not occur to somebody especially who had been -- anyone who had been in the Chief of Staff's Office before that there would have been WHCA videotaping of the President's events?

MR. MCLARTY: It certainly did not occur to me. I've certainly tried to comply to any requests that have been made of my office, however, on any data that has been requested and will continue to do so.

Q Mr. Berger, you mentioned that Brazil is the 8th largest economy in the world. That makes it a fairly important participant in the Kyoto Conference. But Brazil is a developing country who has taken a position against significant and binding reductions in greenhouse gases. Do you think that the relative positions of U.S. and Brazil such as they've been formed will come up in the stop in Brasilia?

MR. BERGER: I think that there's no question that the climate change issue will be discussed in Brazil in probably all three meetings. The President has made clear that he believes that developed countries and developing countries each have a responsibility to contribute to the solution of this problem.

We're now in the quickening stages of a discussion leading to Kyoto, and we hope that there can be some greater convergence between our positions and that of some of the other developing countries.

Q Did the visit of President Clinton to South America, it's going to be here in Congress -- the date when the United States has to decide with the European Union about the Helms-Burton law. I wonder if President Clinton is ready to discuss this issue with the South American countries, especially with this clear rejection from Latin America to this unilateral action by the United States.

MR. BERGER: Well, the President has to make, under the law, his own determination. You're referring to the waiver provision of Title III of Helms-Burton.

Q I'm talking about Title IV with the issue of the European Union.

MR. BERGER: In either case, this is a decision the President needs to make. There are 34 countries in the hemisphere, there are 33 democracies. There's one conspicuous omission -- Cuba. We know there are disagreements within the hemisphere about how best to proceed, but we believe that within the hemisphere other countries share our objective of seeing a democratic Cuba. I don't imagine this will be the centerpiece of any of the discussions, but it's not inconceivable that it will come up.

Q -- that the U.S. and Brazil will be making regarding drug trafficking?

MR. BERGER: I don't want to get into the specifics of any particular announcement that we may be making on the trip. Let's wait until we get to Brazil and we'll go into more detail.

Q On the different roads to hemispheric integration that Mr. McLarty mentioned, while Brazil has stated its position, it's very skeptical regarding -- and it is at least on that time frame that has been suggested in vice ministerial negotiations. Also, in Brazil, some of those tensions have been interpreted as the United States having difficulty to adapt to a situation where now in the hemisphere there are new expressions of leadership of democratic countries around especially Mercosur. You and others have made statements to the fact that the United States supports Mercosur, finds Mercosur a good thing.

I'd like to ask you this. Do you think this trip would be an opportunity for the President to reaffirm that and if the United States finds Mercosur such a good idea, to suggest that other countries -- to President Cardoso -- to suggest to them to welcome other South American countries into Mercosur if those countries so wish?

MR. MCLARTY: I think you will find President Clinton with President Cardoso and President Menem, both countries members of Mercosur, discussing in a positive way the positive contribution that Mercosur has made. I think our position has been that as long as regional trading groups, including the Andean Pact, CARICOM, the NAFTA, the Central American Common Market, are trade-enhancing and do not divert trade or distort trade. We believe that is a positive step toward the goal of an FTAA or a free trade area by the year 2005.

I think also you will find both President Menem and President Cardoso strongly supportive of achieving this goal of economic integration by the time line. As far as additional membership in Mercosur, I do not expect that to come up in terms of our President's participation.

Q Mr. Berger, if I could I'd like to take a quick detour to another issue, and that's the Persian Gulf overseeing increased tensions. My first question is, is the U.S. stepping up surveillance flights in Southern Iraq, and why are we seeing increased tensions over this past week?

MR. BERGER: Well, there was, as you know, I think earlier this week, Sunday or Monday, some incursions into Iraq by Iranian planes, which attacked anti-Iranian terrorists bases in Iraq. In response to that, there was some activity on the part of the Iraqi Air Force, which may have violated the no-fly zone, which we enforce in Iraq, both in the south and in the north. And we've made it quite clear that we continue to enforce a no-fly zone, that it is -- was created in order to assure that the U.N. Security Council resolutions which protect Iraq's neighbors from Iraq's aggression or Iraq's people from its repression would be complied with.

And we do that in concert with allies, and we will continue to do that. And to the extent that there are future violations of the no-fly zone which are -- those planes are subject to action by coalition planes.

Q Any today?

MR. BERGER: I don't know whether -- I haven't got a report from today.

Q What about the reports that we are increasing the number of over-flights on southern Iraq? Is that -- are those reports correct?

MR. BERGER: We'll do what is necessary to apply the no-fly zone. I'm not going to, basically, get into up-tempo here, but we have always, we have since the Gulf War, and we will continue to do so.

Q I'm sorry, but one last question. Does that no-fly zone apply to Iranian planes violating Iraqi airspace also?

MR. BERGER: A no-fly zone is a no-fly zone.

Q Mr. Berger, narco traffic is going to be one of the main issues discussed on the trip. For many years, the government of the United States and President Samper of Colombia have had very cool relations, and that's calling it mildly. All of a sudden, General McCaffrey, as soon as this trip is over, will be in Colombia, will meet with President Samper. There has been an articles, The Washington Post for one, saying there was a deep division between certain agencies of the U.S. government on whether this meeting should take place. You, as National Security Advisor -- what is the logic or the reasoning behind --

MR. BERGER: There have been -- we have not changed our position with respect to President Samper. He's been denied visas to the United States. He will continue to be denied visas to the United States. And we've made very clear our position. The fact is that Colombia is a major drug supplier, that we have a very substantial antidrug, counterdrug program in Colombia, and that we have continued to maintain contact with President Samper for that purpose -- that is, to intensify the effort in fighting the drug war and preventing drugs from entering the United States. And it is in that context and solely in that context that General McCaffrey is meeting with President Samper, as other administration officials have over the past year, for this same purpose.

Q Mr. Berger, today you met the leader of Northern Ireland's biggest political party. Are you any more optimistic after that meeting that the peace talks in Belfast will come to a lasting peace settlement?

MR. BERGER: I think that this is an historic and perhaps unique opportunity that exists right now in Northern Ireland. By virtue of the leadership of the two countries involved -- i.e, England and Ireland -- by virtue of the decisions that have been taken by the IRA to reinitiate the cease-fire, by virtue of decisions, Mr. Trimble, who I met with today, made to come into these talks -- the right decision -- I think there is the potential here that hasn't existed for a long time and may not exist for a long time after this to end this bloody war that has so savaged that portion of the world.

And I think when the President was in Belfast and in Northern Ireland a few years ago -- some of you were with him -- with 500,000 or 600,000 or 700,000 people coming out in the streets -- and every one, by the way, of the Irish leaders who comes to meet with me talk about that as being a defining moment, because they looked around and they said, our people want peace. There's no question in my mind that the people of Northern Ireland -- Protestant, Catholic -- want peace. And now we hope that the leaders of Northern Ireland, leaders of the various parties under the direction of former Senator Mitchell in these talks will seize this opportunity, because I am afraid it will not come back again for a very long time.

Q There is today a report in The New York Times on the front page regarding the execution, the vanishing of U.S. citizens in the border area with Mexico. I wonder if the United

States government is trying to force or have some pressure over the Mexican government of the investigation of these supposed to be executions, made by the police of Mexico and also from the military.

MR. BERGER: I found that a very disturbing story and intend to look into it more fully. We have never denied, nor has President Zedillo the fact that Mexico has a deadly serious drug problem which is eating at its institutions like a cancer. And the argument that's taken place in this country is whether we should cooperate with Mexico in trying to deal with the problem, or whether we shouldn't cooperate with Mexico in trying to deal with the problem. But I think there is no -- President Zedillo is the most articulate and eloquent spokesman for the proposition that this is the number one national security issue -- the number one issue, period, that his country faces.

So there is a serious problem, and it is corrupting many of the institutions of Mexico, which is why President Zedillo, for example, is creating an entirely new drug police to replace the old. And I believe that together, through the alliance that we formed with Mexico when the President was in Mexico City, that we can make progress. And the fact is that if General McCaffrey were here rather than in Colombia, he would I think explain very persuasively how substantially our cooperation has increased even in the past several months. So it's a serious problem, we need to work on it together with the Mexicans.

As to the specifics of that report, I need to find out more about them, but they're disturbing.

Q Mr. McLarty, coming back to Colombia, it still is very strange to visit somebody you don't want to see at your own house. Could it be seen as the beginning of the end of the isolation of --

MR. MCLARTY: I think we have been consistent in trying to support those forces in Colombia who are fighting a courageous battle against narcotics and narcotics traffickers. I think Mr. Berger has spoken to the overall relationship with President Samper and with Colombia, but I think the general support of the drug efforts in Colombia have been consistent with our policy in the past.

Q Well, is Samper one of those people who is fighting a courageous battle?

MR. BERGER: I think it was a judgment of General McCaffrey that this would be a useful meeting in terms of his mission, which is fighting drugs, and his judgment's been pretty darn good so far. He's not there to have tea and coffee -- tea and crumpets.

Q You haven't mentioned at all advanced weapon sales. Following the President's decision to do this on a case by case basis, to what extent is this going to come up at these three stops?

MR. BERGER: It conceivably may come up. It's principally an issue right now for Chile, of course, which we're not going to until April -- Mack has us going to Latin America about every six weeks.

MR. MCLARTY: The President does. (Laughter.)

MR. BERGER: But I think it's important to understand what the President decided. Basically, we had a policy for Latin America that was different than our policy for the rest of the world. And as this revolution has taken place in Latin America, as they have become democracies, as they have become more modern economically, as they have established in most cases civilian control over the military, the notion that we would not entertain the possibility of helping to modernize their air forces increasingly became obsolete. All that meant was the Russians or others would sell them the planes and not us.

All the President has decided is that he is lifting the prohibition which says that we won't look at this, and we will take these on a case by case basis and look to see whether or not this is modernization, whether or not there is clearly civilian control, what it will do to the balance of power in the region, et cetera. And as we do that, we will equally press for confidence-building measures in the hemisphere through the OAS and other institutions, greater transparency among the countries of the region so that they have a greater degree of knowledge about what each of them are doing in the military modernization area. But a number of these countries have reached the point where they're going to modernize their air forces and in appropriate circumstances, we ought to consider participating in that. We have a greater degree of control over the context if we do.

THE PRESS: Thank you.

END

FROM MIAMI TO SANTIAGO TO 2005

THE MIAMI HERALD AMERICAS CONFERENCE
MIAMI, SEPTEMBER 12, 1997

THOMAS F. MCLARTY III

Thank you very much, Alberto (Ibarguen) for that gracious introduction.

I must say it's good to be back in Miami. I have traveled here many times, both transiting through and as a final destination. In fact, you can't really seem to get anywhere in Latin America and the Caribbean without at some point going through Miami, the crossroads of the Americas. And I always look forward to being able to address an audience as knowledgeable and capable as has been assembled today by the Miami Herald.

Miami is such a wonderful and colorful city; it is a vibrant, daily reminder of the American vision where cultures, races, and backgrounds melt together, taking the best from each and forging a uniquely American community. It is a leader in design, fashion, finance, and sport, where family and faith join to undergird a shared hope for the future.

My first significant ongoing exposure to Miami came as a result of the Summit of the Americas, which you remember the President hosted here in 1994. When it became clear the agenda for the Summit was not coming together as quickly as we would have hoped, the President asked me to become involved to bring the loose strands together. And with a lot of hard work from an army of visionary and capable leaders, many drawn from the Miami community, the Summit met and I believe exceeded the high expectations placed upon it.

As the first meeting of US and hemispheric leaders since the 1967 Summit in Uruguay, and the first meeting *ever* of every democratic leader in the Americas, we had a lot to discuss as we set the hemispheric agenda for the coming global century.

No one was more influential or important to the success of the Summit, however, than David Lawrence, publisher of the Miami Herald. Along with Florida's Governor Chiles and Lt. Governor Buddy MacKay, David's strong and clear vision garnered instant respect and helped provide the framework for a successful Summit outcome. After all, as publisher of a paper of record for an entire hemisphere, with daily publishing both in Miami and throughout the region, David knows what he's talking about when it comes to Latin America and the Caribbean.

I also want to acknowledge Luis Lauredo, the Executive Director of the Summit who helped coordinate this conference today. Luis handled day to day planning for the Summit with great skill, and he was one of the reasons for its success. He has been a true friend and an effective advocate for the President's efforts in the Americas, and I am pleased, Luis, to be with you today.

Distinguished guests, ladies and gentlemen: In May, when the President traveled to Mexico, Central America, and the Caribbean, he spoke with personal fondness for the people of the region. He spoke of creating a new partnership based on trust, respect, and mutual obligation. And he spoke of the priority this Administration has accorded to Latin American and Caribbean affairs.

Each of the issues we face as a hemisphere--trade and investment, immigration, narcotics, law enforcement, peacekeeping--must be faced cooperatively. As the President has noted, we simply cannot succeed alone. We are neighbors, but we must also be partners from North to South; neighbors because of the hemisphere we share, partners because of the values we share.

As all of you know, our agenda in the Americas is in many respects being driven by the Miami Summit and our agreement there to create a Free Trade Areas of the Americas by 2005. And it's this trade and investment priority I want to focus on today.

Each of us has heard the argument that since the Summit the United States is not fully committed to hemispheric trade, that without trade negotiation authority--so-called fast track legislation--we are less engaged in a leadership role in hemispheric trade matters. I would respectfully, however, disagree.

The President has said time and again that we understand exports are a powerful engine driving our economic success. Our economy is now the strongest it has been in a generation. In the past four-and-a-half years, exports have accounted for more than one third of our overall economic growth. They support 11 million jobs, including one in five manufacturing jobs, that pay on average 15 percent more than others. And in coming years exports will be even more important for the well-being of the people of the United States.

To keep our nation growing, to keep creating new, good jobs, the President needs every tool available. And that means restoring the President's traditional authority to negotiate trade agreements, so that trade can continue to expand. It is a matter of strategic interest, to which we are fully, and deeply, committed.

I was with President Clinton on Wednesday [September 10] at the White House when he announced his intention to fight for fast track as a priority of our autumn Congressional agenda. From there I raced to the airport to fly overnight to Sao Paulo and then here to Miami, so I could spread the word, because the President felt it was so important to convey the proper message personally in the Hemisphere and what we believe it means for all of us.

As most of you know, fast track is Washington-speak which simply means the President can submit trade agreements to Congress for approval or denial on an up-or-down vote. It does not guarantee trade agreements will be reached and it does not eliminate Congressional review or involvement. It simply means our President can negotiate like virtually every other, representing the United States without fear Congress will constantly propose amendments or force the renegotiation of complex trade agreements.

In a very real sense, continued progress on the hemispheric trade agenda and elsewhere depends on fast track. Besides the Free Trade Area of the Americas, we are on the brink of key trade negotiations in Asia, as well as sectoral discussions in agriculture, financial services, and information technology.

Without fast track, without the confidence to know a promise made by the US government will be a promise kept, our trade partners will be reluctant to conclude agreements with us. Major shifts in regional trading patterns and in the world trading system itself could occur--without our equal participation or maximum ability to influence outcomes. And without increased trade, the hopes of millions for a better life could be dashed.

At the least, as one columnist put it, the United States could begin to be elbowed out of South America by aggressive European and Asian interests, a prospect we believe would harm Americans, North *and* South. That's simply not a gamble the President is willing to take in a region that, with Canada, takes almost 40 percent of total US exports. The President and we know that by shutting our borders, we don't lock our problems out; rather, we lock our troubles in.

Let me assure you that the President's commitment this week to make an aggressive push for fast-track authority is not merely a technicality of interest only to those of us in Washington. It is a concrete sign from the President of the United States that we are absolutely committed to continuing our sixty-year tradition leading trade liberalization and market opening across the world.

Our own hemisphere--which is a natural market but not a market we can take for granted--is certainly no exception. We are committed to the FTAA, and with fast track we will be much better positioned to encourage rapid progress.

We've already come a significant distance since the leaders of the hemisphere agreed here in Miami to create the FTAA. But as the Nobel physicist Marie Curie once said, "One seldom notices what has been done; one can only see what remains to be done." While significant issues remain to be resolved, no one here should forget the remarkable progress which we have made to allow the governments of our shared hemisphere even to discuss the matter of a hemisphere-wide economic zone. Neither should we forget that trade and investment are increasing rapidly year after year and will continue to do so even without additional trade agreements.

Indeed, the countdown to FTAA has begun.

We plan to begin actual negotiations for the FTAA at the next Summit of the Americas in Santiago, Chile, in April 1998. Trade ministers from throughout the hemisphere committed to this during their ministerial in Belo Horizonte, Brazil, this past May. And once discussions begin, we believe many paths to the FTAA will become evident.

Let me be perfectly clear on this point: the United States supports regional trade pacts among our hemispheric neighbors--such as MERCOSUR--so long as they create but don't divert trade, do not increase discrimination against trading partners who are not parties to the agreement, and serve to encourage forward movement to broader trade agreements such as the FTAA and further trade and investment liberalization under the WTO.

As an interim step, we will seek to make progress in the coming months toward a comprehensive free trade agreement with Chile. As each of you would do in your individual business endeavors, we will continue to look for opportunities where early gains can be banked and quickly implemented. And with the President's second of three trips to the hemisphere upcoming during this "Year of the Americas" leading to Santiago, we will continue to reinforce our vital partnership with the individual nations of the Americas.

The President's efforts on fast track will help us to do just that.

In the discussions surrounding FTAA, it's sometimes easy to get caught up in debate over MERCOSUR and NAFTA, time lines, and the theology of trade agreements. But let's not lose sight of why we do all of this in the first place. Trade agreements aren't driving trade expansion; rather, it's the other way around. Our efforts are simply intended to bring order to what is already occurring, and to which you see every day in your commercial endeavors as you participate in the global economy through international trade and investment.

Our trade efforts must begin to address the very real issues of social equity in our hemisphere. We must touch people's lives in a positive way.

Legitimate concerns about the disparities between rich and poor exist in our societies; nowhere are they greater than in the Americas. Consequently, when leaders of this hemisphere meet in Santiago next April, in addition to trade liberalization they plan to agree to specific commitments regarding education, democracy, and poverty alleviation. Integration must benefit all sectors of society as a critical means to our ultimate end: a prosperous, just, and peaceful future for ourselves and for our children. We must address the real concerns of the families of the Americas, or the family of the Americas will remain but an elusive ideal.

We cannot lose sight of this vision, allowing ourselves to get sidetracked over false choices or sterile trade debates. I believe we must turn *to* each other rather than turn *on* each other. By working together to achieve the Free Trade Area of the Americas by the year 2005, we will do the most *for* the most, and we must pursue this course with purpose and collective resolve.

As John Kennedy said, we want to complete the revolution of the Americas, to build a hemisphere where all people can hope for a suitable standard of living, and all can live out their lives in dignity and in freedom. That's the purpose for hemispheric integration, and it's the reason we gather in Miami this week.

The noted author Graham Greene once wrote "there are unique moments in time when the door opens and lets the future in." I believe we have arrived at such a moment in the Americas. We may never again have such an opportunity, and unless we work together, it could be lost forever.

So tonight, I ask you to help us open the door, together, and let a new and promise-filled world come in.

Thank you for the opportunity to be with you today.

THE YEAR OF THE AMERICAS: MID-TERM REVIEW

REMARKS OF COUNSELOR TO THE PRESIDENT AND SPECIAL ENVOY FOR THE AMERICAS THOMAS F. MCLARTY III

PDVSA/SAIS DISTINGUISHED SPEAKER SERIES
WASHINGTON, DC; JUNE 16, 1997

Thank you, Luis (Giusti) for that warm and welcoming introduction, and for inviting me to be with you today in this "joint venture" speaker series with the School of Advanced International Studies.

I'm delighted to be here, Luis, with you and with Riordan Roett. I have known Dr. Roett for some time now, and I must say he is a seminal voice in so many ways for hemispheric affairs. In my capacity as Special Envoy for the Americas, I have valued his keen insights and have benefitted greatly from his expertise in hemispheric affairs.

But, indeed, I am truly humbled to be in the presence of Luis Giusti, who some might call the Tiger Woods of hemispheric energy. Coming as I do from the energy sector, the former CEO of a Fortune 500 NYSE-listed natural gas company, I appreciate the magnitude of the miracle Luis and energy minister Erwin Arrieta have pulled off within Venezuela.

Earlier this month the third round of operational contracts under the "apertura" process was awarded, exceeding even the most optimistic expectations. It's almost enough to make me cast a longing eye back to the energy sector, and question why I took partial leave of my senses to follow my friend of long-standing, Bill Clinton, to Washington five years ago.

Nearly $2.2 billion in bonus fees were bid up front in this latest round by companies, both international and Venezuelan, who see the remarkable potential for energy in Venezuela and, more broadly, in the Americas. When undertaken both thoughtfully and purposefully, as I believe the apertura has been, liberalization can be a rising tide which lifts all boats. That's good for investors in Caracas and New York; oil patch workers in Maracaibo; drilling equipment suppliers in Dallas and Oklahoma City; and refiners in Port of Spain and New Orleans.

And it's also good for consumers, who demand a steady supply of energy at predictable, reasonable prices. In fact, the United States now imports more oil from Venezuela than from anywhere else in the world, including Saudi Arabia. Venezuela and the United States have long worked closely together. Even as a founding member of OPEC, Venezuela refused to participate in the 1970's oil embargoes, and today, it continues to be as reliable a partner as ever.

And the message we are hearing, of apertura and new partnerships, is hugely encouraging. World oil demand is projected to rise by some 18 million b/d by the end of the next decade. A race has already begun to bring extra capacity on-stream to fill this burgeoning demand. If we are to meet our commitments as a hemisphere--if democracy is to deliver--we must work together to find new, market-based solutions to meet our energy needs in the onrushing world of the 21st century.

It's not just a matter of convenience. It's a matter of US and hemispheric security. Our partnership with Venezuela, and with the other democratic nations of the Americas, is a key to our long-term prosperity and well-being as Americans.

Now we must take the next steps, to enhance investor confidence and remove remaining barriers which are impeding capital flows to some degree between our nations. For some time the United States and Venezuela have been discussing the outlines of a Bilateral Tax Treaty and a Bilateral Investment Treaty. These agreements will remove existing tax disincentives and provide investors guaranteed access to international arbitration. We are genuinely interested in an agreement--our negotiators are in Caracas now--and we encourage both sides to show appropriate flexibility to finalize the deal.

So Luis, I warmly congratulate you and your team. We are working together, as we pledged as a hemisphere at the 1994 Summit of the Americas in Miami, to meet the needs of our citizens--as neighbors, as partners, and as friends.

Ladies and gentlemen, I truly believe we are in the midst of a revolution across the Americas. With quiet and steady progress, our hemisphere has changed no less remarkably than the European continent in the wake of the Cold War. Where once we built stockpiles and bombs, now we are focused on stocks and bonds. Where once countries in the Americas massed forces on the borders of division, now we mass energies on behalf of integration.

Our economic linkage to the hemisphere is closer than ever before. The region is rapidly becoming a core strategic interest of the United States: The numbers and the related jobs tell the story.

- US exports to Latin America and the Caribbean have tripled in 10 years, to over $100 billion in 1996. It's our fastest growing region for exports; a natural market but one which we cannot take for granted.

- Fully 40 percent of our total exports go to the nations of our hemisphere, and 35 percent come to us from there.

- We already export as much to our hemispheric neighbors as to Germany and Japan combined. Given current trends, by 2010 US exports to the region will overtake our combined trade with Japan and the entire EU.

- As the President's upcoming report to Congress will make clear, NAFTA works. In 1996, US goods exports to Canada reached an all time high of $134 billion--33 percent above 1993 levels. Goods exports to Mexico were some $57 billion--also a record, 37 percent above 1993--despite a not yet fully recovered Mexican economy. Jobs have been created and jobs have been preserved. Our market share has increased each year since NAFTA came into force. With NAFTA, consumers are enjoying unprecedented choice, and lower costs.

- And foreign investment continues to pour into the region. In 1996, Latin America mutual funds rose on average 27.4 percent, outgaining the average US general stock fund by eight full percentage points.

Building on the reality of this newly integrating hemisphere, President Clinton called together the democratically-elected leaders of the region at the Miami Summit. In his first term, recognizing the importance of this hemisphere to our well-being as Americans, he also pushed through NAFTA, courageously restored democracy to Haiti, led the international response to Mexico's peso crisis, and committed US troops to the border between Peru and Ecuador--perhaps, as I saw for myself just two weeks ago, the most successful peacekeeping operation ever undertaken. It's been a busy period in hemispheric affairs, and we are proud of the Administration's record.

Notwithstanding progress made, however, we still face formidable challenges. In fact, during my recent visit to Peru and Ecuador, where I led the US delegation to the OAS General Assembly, I was reminded again of the fragility of democracy and economic growth and our need to be constantly vigilent to support them.

That's why we are so committed to building on our first term record in hemispheric affairs with a 12-month push that I hope historians of US foreign policy will judge to be the Year of the Americas.

What, specifically, does this mean? Immediately after the President's reelection, I traveled to Brazil, Argentina, and Uruguay, laying out a vision for what our second term hemispheric agenda would look like. I noted our focus on four primary areas: undertaking Presidential travel to the region; nurturing our uniquely broad and deep relationship with Mexico; preparing for the next Summit of the Americas in Santiago; and pursuing open trade leading to the Free Trade Area of the Americas by the year 2005.

Yogi Berra once argued we should be careful not to make predictions, especially about the future. Nonetheless, I'm pleased to say that, at the mid-point of this Year of the Americas, we've made solid progress across the board.

All of you follow our hemisphere closely and you know that the President's trip just over one month ago to Mexico, Central America, and the Caribbean was the first of three he plans to make to the hemisphere in less than 12 months. In October, he will travel to South America, and next year, the President plans to attend the Santiago Summit. Coupled with state visits early this year of Chile's President and Canada's Prime Minister, this is an ambitious, even historic schedule of Presidential engagement, and it shows our continued commitment to the hemisphere at the very highest levels.

As our second priority, we've put our relations with Mexico on a firmer, more mature foundation than they have ever been. Our relationship is a reality; we're joined by a 2000 mile border, with interconnected histories and common cultures, and we must find a way to address appropriately the kitchen table issues which cross borders and directly affect our citizens' lives.

Last month, the President accepted an invitation to join President Zedillo on an official state visit to Mexico City, the first such trip in almost 20 years by an American President. While there, we made significant progress on economic issues and in combatting the problems of narcotics trafficking and cross-border migration. We signed 11 agreements, from environmental clean-up to improving cross-border transportation links to expanding cultural and educational exchanges.

Most importantly, in my view, we deepened the dialogue between our leaders, our cabinets, and ultimately, our people. In short, we understand there is no real alternative to meeting the challenges which face us: we must make cooperation work, and we are working to ensure it does.

Third, we are actively preparing for the Santiago Summit. At a June 1 meeting of Foreign Ministers which I co-chaired with Chile's Minister Jose Miguel Insulza, we as a hemisphere approved an agenda outline for Santiago. The Summit will be organized around four primary initiatives, building on Miami: strengthening democracy and human rights; increasing trade and economic integration; alleviating poverty; and, as its centerpiece, bolstering our respective educational systems, striving to make ours the best educated hemisphere in the history of the world.

More than anything, I believe, this agenda shows the converging aspirations of people from the Rio Grande to the Rio Platte, and from Lima, Ohio, to Lima, Peru. And it demonstrates a deepening sense of shared values and common interests within the community of the Americas.

Finally, our hope is to make significant progress on the trade agenda by the Santiago Summit. As President Clinton has often said, the enemy of our time is inaction. That's why building a Free Trade Area of the Americas by the year 2005 must be such a high-priority.

The recently-concluded meetings in Belo Horizonte, where ministers responsible for trade agreed to recommend initiation of FTAA negotiations in Santiago, took us yet another step closer to our ultimate destination. We look forward to the next ministerial in San Jose, where we will decide on the objectives, approaches, structure, and venue for actual negotiations.

To get to the FTAA, and, as the next logical stepping stone on the way, a comprehensive free trade agreement with Chile, President Clinton has spoken publicly and frequently of the need for broad fast track negotiating authority from Congress. Ambassador Barshefsky and others have been working closely with Congress now for several months, and we are beginning to build some consensus. We have stated our intention to submit legislation to Congress by this September. That's a specific, public timeline, to which we can, and should, be held accountable.

In the meantime, we are moving ahead with appropriate Caribbean Basin trade enhancement legislation. As the President and Vice President have noted, we seek to ameliorate the effects of NAFTA on CBI nations by providing trade benefits while encouraging concrete steps on the path to the FTAA. It's the right thing to do, and it's time to do it.

So with the year now half over, and the Santiago Summit less than 10 months away, I'm increasingly optimistic. We've made a purposeful beginning, and let me assure you today we're determined to see it through, to stay the proverbial course.

One of my favorite quotes is from Graham Greene, who once said, "There are unique moments in time when the door opens and lets the future in." I truly believe we have arrived at such a moment in the Americas.

The foundation has been laid. Now, we must work cooperatively together, to bring about a new partnership based on mutual trust, respect, and individual dignity. And in so doing, we will touch people's lives in a meaningful and a positive way.

At bottom, that is the purpose, and the promise, of the road from Miami to Santiago we are traveling today.

Secretary of State Madeleine K. Albright
Welcoming Remarks to the Council of the Americas
Washington, D.C., April 28, 1997
As released by the Office of the Spokesman
U.S. Department of State

As Delivered Text

Thank you very much, Mr. Secretary. It is a real pleasure to be here with all of you this morning, and thank you very much for that wonderful introduction.

I am especially pleased to be able to have a discussion about Latin America. There's no better way for me to start a week that will wind up in Latin America than by beginning the week here with all of you talking about Latin America. I had found in my time at the United Nations that probably the most natural grouping in the world is the one of the Americas. So I tried very hard while I was at the U.N. to pursue an activist Americas policy. Now that I am here, it is something that I also want very much to keep front and center.

You arrive for your meetings this year at a time of heightened interest and emphasis on affairs in the hemisphere. I do welcome that. The United States has friends and allies everywhere around the world, but there is no more natural partnership than here at home with our fellow Americans.

This morning, I would like to place that partnership within the overall context of U.S. foreign policy.

As Secretary of State, I am often asked my view of the world now that the Cold War is over and a new century is about to dawn.

There are obviously many elements to this relationship and because I am a former professor, I have the habit of discussing each sound bite in fifty-minute segments. But the abridged version is what I will try to do today.

Because of strong U.S. leadership from Administrations of both parties, we have in our era an unprecedented opportunity to integrate the world around basic principles of democracy, open markets, and a common commitment to peace.

Not every country is yet able to participate fully in this integration. Some are in transition from centralized planning and totalitarian rule to democracy. Some have only begun to dip their toes into economic and political reform. Some are still too weak to participate meaningfully in the international system. And a few, such as Iraq, Iran and Castro's Cuba, have governments that actively oppose the premises upon which that system is based.

As a policymaker, I see a corresponding four-part challenge:

- First, to strengthen ties and prevent ruptures among the full participants in the international system;
- Second, to help transitional states to play a greater role;
- Third, to give a boost to the weak states most willing to do what is necessary to join the system; and
- Fourth, to make it clear to the outlaw states that they cannot prosper at the expense of the rest; they must either reform or suffer in isolation.

Clearly, the "international system" is not a precise term. It refers to a vast network of rules that govern ties among countries; rules that range from the simplest bilateral treaty to the most complex global agreement.

Because it serves our interests, it is U.S. policy to help this system remain vibrant and become more inclusive.

That is why we are working with our allies to build a NATO strengthened by new members and trained for new missions.

It is why we have worked with friends in Asia to freeze North Korea's nuclear program.

It is why we stand with the peacemakers against the bomb-throwers in the Middle East, Northern Ireland, Bosnia and other troubled regions; and it is why we are determined to build on the 1994 Summit of the Americas to further integrate our own hemisphere as a bastion of democracy, a hub of economic growth, and a leader in promoting security through law.

Progress within our region is not a zero-sum game. As nations, corporations and people, we all have a stake in whether we can establish and enforce a system of standards that will cause our hemispheric community to grow more peaceful, prosperous, stable and free.

That is the philosophical underpinning of NAFTA and our goal of a Free Trade Agreement for the Americas by the year 2005.

It is at the heart of our effort to assist our partners in building durable democratic institutions and promoting respect for human rights.

It is central to our cooperation in the regional war against illegal drugs, arms-peddling, corruption and crime.

And it explains our commitment to working with governments throughout the hemisphere to improve education, safeguard health, reduce poverty and protect the environment.

You will hear more about these initiatives later today. But I stress the general point that they are a high priority for the Clinton Administration because they matter a great deal to our citizens here in the United States.

The western hemisphere is becoming more and more a single geo-economic unit. From Point Barrow to Patagonia, we see a potential market of 800 million people and an overall GDP well in excess of $9 trillion bound together increasingly by more liberal standards of investment and trade.

And we see a direct linkage between this issue of economic vitality and related problems of crime, drugs, civil conflicts and illegal migration.

So we are determined to move ahead on all fronts. The Miami summit came together at our initiative, and it has provided an unprecedented framework for regional cooperation.

The President will reinforce our commitment next week in Mexico, Costa Rica and the Caribbean, and his planned trip to South America this fall and at the Santiago summit next March.

We are, of course, conscious of the many obstacles that still exist. The road to genuine economic and political reform is rarely smooth. Growing populations make it difficult to translate economic expansion into higher standards of living.

Too many people in Latin America remain trapped within a web of ignorance, poverty, and for women especially, abuse. And the corrosive and corrupting impact of drug money hangs over much of the hemisphere like a mushroom cloud.

But never before have we had such an opportunity to bring these barriers to progress down. Where two decades ago we saw a continent dominated by centralized economies and military dictators, we now see open markets and elected leaders.

Where one decade ago we saw civil wars and the bare beginnings of economic reform, we see peace agreements such as those in Nicaragua, El Salvador and now Guatemala, and irreversible economic reform.

There is no question that differences remain between us and various governments about specific issues. But there is even less question about the momentum we are building through frequent contact, full communication, shared initiatives and consensus goals. The overall climate for cooperation is excellent. Nor is it limited to contacts between and among governments.

North Americans, Central Americans, South Americans and people of the Caribbean are visiting each other, studying with each other, trading with each other, sharing ideas with one another and learning about each other more and more every day. It is this process, as much as anything our governments are doing, that is bringing the hemisphere together and creating a sense of optimism and anticipation as we prepare for the 21st century.

In building that future, the business community must play a central and responsible role.

As Secretary, I will ensure that the State Department does its part as an advocate for you, and help in every way we appropriately can to see that U.S. firms are treated equitably within a regional and economic system that is increasingly open and fair.

We also need your help in strengthening the consensus, both here and in the region, that open markets are good for Americans on both sides of the border. And we count on your support for our effort to obtain the resources we need to maintain our diplomatic leadership within the hemisphere and around the globe.

As I have visited our embassies in various parts of the world and have met with business leaders in meetings while I travel, it's very clear to me that the business leaders very much appreciate the work of our embassies in helping promote U.S. business. We cannot do it if we do not have enough people in those embassies. Less than one percent of the Federal budget is devoted to foreign policy. About 50 percent of our history will be written about the way our foreign policy is conducted; and 100 percent of the American people will be affected.

I believe it was Carlos Fuentes who said, during the Cold War, that a principal difference between the two superpowers was that the Soviet Union was surrounded by satellites, and the United States was surrounded by friends.

That was always a source of great pride to our citizens. And it should be a source of great pride to this Council that you have contributed so much to these friendships for more than 30 years.

So, once again, I am delighted to welcome you all here to Washington. I have asked for a full report of your discussions.

I look forward to seeing you all again either here or in my travels south.

Thank you all very much, and have a very good set of meetings today. Thank you Secretary Mosbacher.

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Jeffrey Davidow, Assistant Secretary for Inter-American Affairs, Testimony before the House International Relations Committee, Subcommittee on the Western Hemisphere, Washington, DC, March 19, 1997

Mr. Chairman, members of the Subcommittee on the Western Hemisphere, it is a pleasure to appear before you today to present the Administration's foreign policy objectives in Latin America and the Caribbean. As we prepare to enter a new century, we have an excellent opportunity to advance our interests in the region.

While relations with each country in Latin America and the Caribbean present their own unique challenges for the United States, the President's policies towards the region seek to achieve four basic objectives:

1. Promoting free trade and economic integration in order to enhance economic development and assist American business.

2. Strengthening democracy and the rule of law to ensure that the values and principles that have guided our nation thrive throughout the hemisphere.

3. Combating drug trafficking, migrant smuggling and environmental degradation to minimize the impact of these transnational problems.

4. Encouraging sustainable development and poverty alleviation programs to improve living standards for all citizens of the region.

These objectives are consistent with our long standing interests. If achieved, they will help guarantee a 21st century that is more prosperous and secure for all Americans.

The next 12 months will see an intense focus on regional issues by the President. President Clinton has already hosted a State visit by his Chilean counterpart, Eduardo Frei. In April he will travel to Mexico to advance our critically important relations with that country. In May he will visit five countries in Latin America and the Caribbean, and in March 1998 he will attend the second Summit of the Americas in Santiago, Chile. This high level of activity is indicative of the importance the Administration gives to relations with the nations of our hemisphere.

A Region of Change

Before turning to look at how we are pursing our objectives, I'd like to briefly review the transformation that the countries of Latin America and the Caribbean have undergone in the past few years.

Only 20 years ago, just four countries in South America had democratically-elected civilian governments and an almost equally small number of countries were following free market economic programs. Indeed, military dictatorships and centrally-planned economies were the norm.

Ten years ago, democracy had taken a tentative hold in much of the region, but internal conflicts and guerrilla wars raged in Central America. For most of the region, real economic reforms were just beginning.

Today, the hemisphere is at peace. Former foes sit beside each other and work together peacefully to solve national problems in Nicaragua, El Salvador and Guatemala. In total 34 of the 35 countries in the Western Hemisphere are now solidly in the democratic fold. All the region's major economies have implemented substantial economic reforms and others are racing to catch up.

The changes that have occurred in Latin America and the Caribbean have made it possible for the U.S.

to develop a very different kind of relationship with its neighbors.

A Shared Vision for the Americas
This new regional consensus in favor of democracy and open economies in the Americas led the Clinton Administration to develop an ambitious policy of regional cooperation. The framework for this policy was established at the Summit of the Americas in Miami in December, 1994. At the Summit, President Clinton and the 33 other democratically-elected heads of state from across the hemisphere agreed to pursue an agenda that complements U.S. regional objectives. The agenda called for establishment of a Free Trade Area of the Americas (FTAA) by 2005, alleviation of the poverty that still affects an unacceptably large percentage of the population, sustainable growth and respect for the environment, and efforts to address narcotics trafficking and other transnational problems. The basis of this hemispheric cooperation is a shared and earnest commitment to democratic values.

The Summit process has already paid dividends. Summit related activities have resulted in the world's first anti-corruption convention, agreements to fight terrorism and money laundering, and the initiatives on the environment that developed out of the Santa Cruz Summit on Sustainable Development.

FTAA and Regional Integration
While work continues in each of the policy areas agreed to in Miami, the greatest challenge between now and the Santiago Summit is to move forward on our free trade agenda. We have made considerable progress on refining the FTAA concept at two successful trade ministerial meetings in Denver and Cartagena, as well as through the impressive amount of preparatory technical work in the eleven FTAA working groups. We're optimistic that the third trade ministerial in Belo Horizonte, Brazil in May will determine when and how to launch formal FTAA negotiations.

The United States continues to provide intellectual and political leadership for FTAA. We are among the countries advocating the most ambitious objectives and time frame for negotiations. Finally, we are at the forefront of incorporating private sector perspectives into the process.

However, negotiating the FTAA will require authority from Congress. The Administration intends to seek fast track authority this year. While the exact scope and terms are to be worked out, the Administration has made clear that it will ask Congress to approve the same kind of authority that every other president has had since 1974. In the shorter term, the Administration also remains committed to expanding trade opportunities for the Caribbean Basin countries. The Administration has included financing for this purpose in its budget proposal and is in the final stages of developing legislation.

We believe that expanded free trade under the FTAA will be a boon for American businesses and consumers. When fully implemented, it will create the largest free trade arrangement in history, encompassing an area with over 800 million people and overall GDP well in excess of $9 trillion.

Latin American markets are among the fastest growing in the world, and U.S. exporters and service providers are some of the principal beneficiaries of this growth. US exports to Latin America and the Caribbean exceeded $100 billion last year. Today, we sell more to Central America than we do to East Europe and the former Soviet Union combined. We export more to Brazil than we do to China, and we sell more to the 14 million people of Chile than we do to the 900 million people of India. By 2010 our exports to Latin America and the Caribbean are expected to exceed those to the European Union and Japan combined.

We cannot afford to sit on the sidelines while other countries move ahead to take advantage of the growing market of Latin America and other regions of the world.

Democracy & Regional Stability
Of course free trade cannot exist in a vacuum. Progress on the road to the FTAA must occur within a context of democracy and political stability.

For that reason, I am pleased to say that recently we have seen significant advances in consolidating peace and democracy in the region. With the signing of the peace accords in Guatemala, Central

America is totally at peace for the first time since the 1970s. Democratic elections are now the norm, as witnessed by last Sunday's voting in El Salvador. There has likewise been important progress in the Caribbean. A reformist President has just been elected in the Dominican Republic. National elections in several other countries continued the region's steadfast adherence to democratic electoral procedures.

Nonetheless, challenges to democracy and stability persist. Strong leadership by MERCOSUR countries, the United States, and most importantly by the Paraguayan people, helped narrowly avert a military coup attempt in that country.

The potential of corruption to place the democratic process at risk was fully revealed in recent events in Ecuador. Last month, a crisis of confidence and an outpouring of public anger led an elected congress to vote out of office an increasingly unpopular, but also legitimately elected president.

Those few brief days in February cannot and must not serve as a precedent for how to deal with problems of corruption in other countries. We can, however, be grateful that the Ecuadorian military did not attempt to interpret the constitution and that civilian political leaders reached agreements that avoided bloodshed, established an interim agreement and began the transition toward new elections in 1998.

While democracy is now commonplace in Latin America and the Caribbean, we should not be complacent and assume it always will be. If democratic institutions are weak, dysfunctional or corrupt, the hard-earned gains of the last decade could be erased. Renewed conflicts between the nations of the region could also cause democracies to fail.

That is one reason why the U.S. is working to foster continued regional stability through increasing cooperation in the areas of defense and security. In November 1995 the Government of Chile hosted the first Organization of American States (OAS) Conference on Confidence and Security Building Measures (CSBMs). This successful meeting produced the Santiago Declaration, which lays the foundation for our regional efforts to foster cooperation and mutual understanding in a threat-free environment.

Our commitment to democracy has also caused us to help improve regional institutions. Our efforts include promoting judicial reforms to enhance the fairness of the legal system, supporting non-governmental organizations and regional institutions which advocate for human rights, helping build the capacity to carry out free, fair, and transparent elections, and encouraging broader civic education efforts.

We also are working to enhance regional efforts to combat corruption. Corruption in politics, business and law enforcement casts a pall over democracy and governance throughout the region. It is a corrosive element that dissolves trust between governments and citizens. Notably, under the auspices of the Organization of American States, 23 nations have now signed the Inter-American Convention Against Corruption, which requires governments to criminalize the bribery of foreign officials. This new convention is the first document of its kind in the world. It represents a significant step forward in efforts to ensure transparency in government, which is essential to a healthy democratic system.

The work of the OAS in putting this convention together is symbolic of that organization's efforts to "reinvent" itself in order to meet the hemisphere's new priorities. With strong U.S. support and capable leadership from Secretary General Cesar Gaviria, the OAS has adopted a zero-growth budget for 1995-98 and has directed its expenditures to complement U.S. priorities in the hemisphere.

In addition to strengthening democracy and fighting corruption, we are equally concerned with efforts to reduce the grinding poverty that still holds a large portion of the region's population in its grip. Over the past three decades, the region has made major developmental gains. However, wide disparities in income persist. Although estimates vary widely, probably more than a third of Latin America's people (more than 150 million people) live in dire poverty.

Progress in reducing poverty is therefore critical to sustaining political support for both democratic and market reforms, and to building a broad modern base of consumers and workers for future growth. To really make a dent in this problem will require sustained growth rates of approximately 6 percent per year, almost double current figures. While this will be extremely difficult to achieve, it is in our national interest to have the kind of stable, prosperous hemisphere that can only be created through sustained support for efforts to alleviate poverty.

Combating Transnational Threats

Poverty and fragile democratic institutions make the region more vulnerable to a series of transnational ills. For example, the desperate need for economic growth in the region has taken a toll on the environment. Left unchanged, the misuse of the region's environment and natural resource base will reduce future economic growth, raise health costs, and result in an irreplaceable deforestation, land depletion and loss of biodiversity.

Fortunately, awareness is growing throughout the region that environmental degradation, economic decline, and social and political instability are closely linked. Sound environmental and natural resource management is no longer perceived as a luxury, but as an integral aspect of growth.

Poverty and its consequences also have created pressures leading millions to migrate illegally to the United States in search of a better life. Although Mexico is by far the most important country of origin, illegal immigration from other nations in the region was also very significant. There are more illegal immigrants from Central America, the Caribbean, and South America than from the rest of the world combined. Improvements in governance, respect for human rights and increased job opportunities at home will significantly reduce the flow of illegal immigrants to the United States.

Perhaps the most serious consequence of poverty and fragile democratic institutions is the threat posed by drug trafficking. The narcotics trade undermines democratic legitimacy and encourages corruption throughout the hemisphere. The tremendous threat that the drug trade poses to our vision of the future of the region cannot be overstated.

Fortunately, over the course of the last year most regional governments have improved cooperation with the U.S. on narcotics issues. 1996 saw significant success against all phases of the international narcotics trade in Latin America and the Caribbean. Coca cultivation in Peru fell 18 percent as a result of effective law enforcement, aerial interdiction and targeted alternative development. Over 7,000 hectares of coca were eradicated in an aggressive campaign in Bolivia. In the transit zone, trafficking routes were disrupted, forcing the traffickers to use less efficient alternative routes. Other important achievements include the passage of money laundering and asset forfeiture legislation, and the conclusion of agreements to facilitate maritime cooperation in several key countries.

However, despite this progress, cocaine remains in abundant supply and more Latin American heroin is entering the U.S. Thus we must continue to improve cooperation with the nations of the region.

Mexico

I realize that the President's decision to certify Mexico this year was a controversial call. But, let me be clear on this point: full certification is the best means to achieve maximum success against the flow of drugs into our country.

We have worked to expand our counternarcotics cooperation with Mexico over the past several years and continue to make progress. For the first time, we have secured Mexican agreement to extradite Mexican citizens, and are steadily expanding the circumstances under which this is possible. Mexico has made far-reaching commitments on vetting of all counternarcotics officials in the wake of the arrest of General Jesus Gutierrez, while new organized crime legislation gives Mexican authorities powerful new tools to use against traffickers and money launderers. We have obtained appropriate immunities for our law enforcement officers operating in Mexico and are working to ensure their self-defense requirements are met. We have smoother overflight and aircraft and ship refueling procedures in place now for our counternarcotics assets, and have more improvements in prospect thanks to a relationship we have developed for the first time with the Mexican military.

Clearly there is strong political will at the senior levels in Mexico to meet the narcotics challenge. I pledge to you that we will work diligently with Mexico, as we will with all the nations of Latin America and the Caribbean, to achieve the most effective strategies and programs to combat drug trafficking.

I think its important that, as the certification decision is debated, we keep the importance of our overall relationship with Mexico in perspective. Our relations with Mexico are as important as those with any country in the world. We share a 1900-mile border and Mexico is our third- and soon to be second-largest trading partner. Our economic relations with Mexico have a direct impact on the lives and livelihoods of hundreds of thousands of Americans.

Any effort to overturn the certification decision will have broad consequences for Mexico, and for us. President Zedillo is leading his country down a path of political reform toward more democracy and more honest elections. He has sustained a sensible macroeconomic course despite strong populist pressures to yield in the face of severe recession. He has pushed his bureaucracy toward a more open and pragmatic relationship with the United States on a variety of multilateral issues of interest to us, and more frank and constructive exchanges on our toughest non-drug bilateral issues, such as migration. His stances have not always been popular in Mexico. To ignore this cooperation and to focus solely on the narcotics issues would undermine the policies President Zedillo has championed, and play into the hands of those political forces in Mexico that want to drag the country backward, not forward.

Economically, the likely effect of any successful action to overturn the President's decision would be higher Mexican interest rates and lower growth prospects, as the financial markets reacted to our "distancing" from Mexico. It is difficult to quantify this effect, but there is little about its negative character.

Haiti

I think it is important to mention two other countries where the U.S. has special interests and concerns. First let me discuss our continuing efforts in Haiti. Haiti remains the poorest country in the hemisphere. Poor economic conditions combined in a volatile mix of political repression and abuses caused a flood of migrants to our shores during the years of political instability and military rule.

However, since the U.S.-led multinational force stepped in to restore Haiti's democratically-elected government in 1994, considerable progress has been achieved. Five free and fair elections have taken place since that time, and one popularly-elected president peacefully succeeded another for the first time in Haiti's history. With international help, Haiti has also established its first civilian police force to replace the predatory security apparatus of the past. Created in 1995, the 6,000 member Haitian National Police (HNP) is an important guarantor of long-term stability and democratic development.

This progress has produced real benefits for the U.S. In 1994, before the restoration of democracy, the U.S. spent $400 million dealing with nearly 25,000 interdicted Haitian migrants. In 1996, a mere 733 were interdicted, only 13 in the last six months of the year. The path to a better future or a return to the Haiti of old is now in the hands of the Haitian government. It must act decisively to consolidate democratic gains, firmly establish the rule of law, and complete badly needed economic reform. However, it will continue to need our help and that of the rest of the international donor community. The Administration will work closely with Congress to continue to address Haiti's problems and help its people build a better future.

Cuba

In addition to advancing reform in Haiti, we face the challenge of continuing to push for change in Cuba, where we have essential and deeply-rooted national interests. Our overarching goal is to promote a peaceful transition to democracy on the island.

The fundamental conviction underlying our policy toward Cuba is that the Castro government will not make changes unless it has to, and will endeavor to retain absolute control. For that reason we have defended the U.S. comprehensive economic embargo on Cuba as the best means for depriving the Cuban government of the resources it needs to carry out its repressive policies.

Still we believe that tough economic sanctions alone are not enough. Change in Cuba must come from within. Increasing the flow of information in Cuba is essential to fostering peaceful change, as is outside support and advice to independent groups trying to carve out space for their activities. For this reason, President Clinton initiated measures in October 1995 to permit groups in the U.S. to begin developing new kinds of contacts on the island. These steps complemented earlier efforts to encourage private humanitarian donations to NGOs in Cuba.

The Administration has also worked to ensure that controversy over the Libertad Act among our allies does not distract from building international support for change in Cuba. The President's approach to Title III, along with the tireless diplomatic efforts of Ambassador Stuart Eizenstat, has created a sharper international focus on the need for a democratic transitions in Cuba that is helping to isolate the Castro government even further.

Finally, our Cuban migration policy seeks to deter irregular migration from the island, to save lives that might otherwise be lost at sea and to prevent the chaotic, uncontrolled arrival of undocumented migrants. Through the September 9, 1994 U.S.-Cuba Migration Agreement and the May 2, 1995 Joint Statement on Migration we now have in place a system for "safe, legal, and orderly" migration, as an alternative to the dangerous raft voyages that have brought such suffering to families on both sides of the Florida Straits.

When looking to the future of Cuba, I think we need to be sober and realistic about the short run, and optimistic about the longer term. Fidel Castro and his associates operate a massive security apparatus and police state designed to eliminate any threat to their dominance. Over the longer run, however, there is reason to be more hopeful. The more Cubans become aware of what they are missing in the world outside, and of how successful they and their country could be, the harder it will be to contain their desire for real change.

Conclusion

In conclusion, Latin America and the Caribbean have undergone an important and positive transformation in the last decade. This transformation has brought almost the entire hemisphere into the community of free market democracies. This new reality has given us a unique opportunity to work together with our neighbors in the region to build a better, more prosperous future for all 800 million citizens of the hemisphere.

At the Summit of the Americas in Miami in December 1994, we put our nation on a course towards achieving that brighter future. The Miami vision is of a hemisphere of free trade, strong democratic institutions, and fewer problems with drugs, environmental degradation and poverty is one that we stand by. It is a vision and commitment that the United States, along with the other 33 democratic countries of the Americas, will renew at the Santiago Summit in March 1998.

Although much has been accomplished in the past four years, there is a great deal more work left to do before we can achieve our goals. Disparities in income, inadequate health and education, fragile democracies and the narcotics trade create conditions of tremendous cost and risk to U.S. national interests. Funding levels for direct U.S. assistance in the region are sharply lower than a decade ago. Because of this, our ability to have a direct impact in the region is severely limited. I urge you to provide the necessary level of foreign assistance resources to achieve our goals in the region. I look forward to working with the members of the Sub-Committee in the coming months as we work with the countries of Latin American and the Caribbean to advance the interests of the American people.

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