

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the William J. Clinton
Presidential Library Staff.**

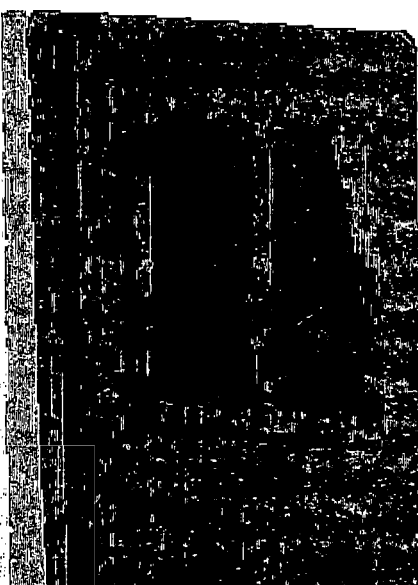
Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Special Envoy for the Americas
Series/Staff Member: Steven J. Ronnel
Subseries:

OA/ID Number: 11854
FolderID:

Folder Title:
Fast Track - File Created 8/12/97: Little Rock Speech [2]

Stack:	Row:	Section:	Shelf:	Position:
S	66	3	10	3

**The Trip
of the
President
to
Mexico,
Barbados,
and Costa Rica**



May 5 10, 1997



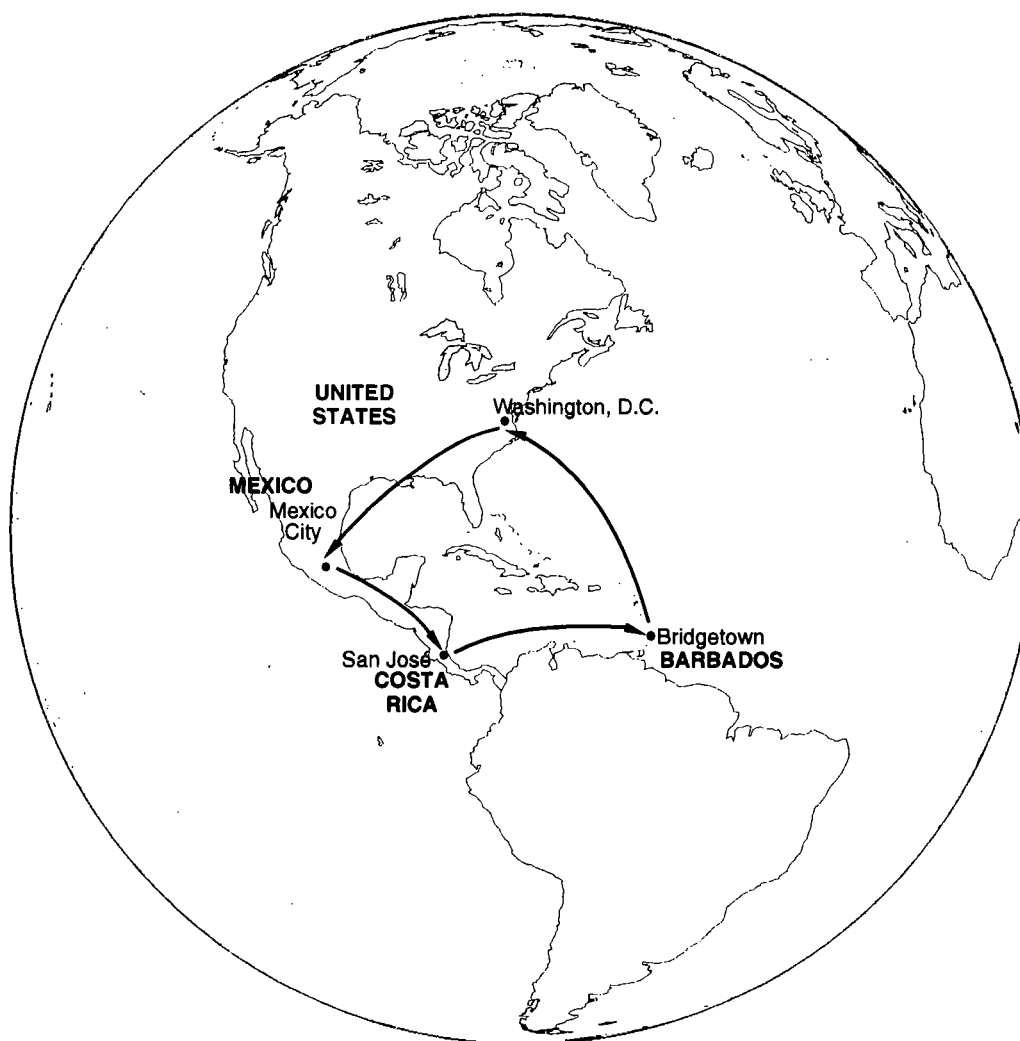
**The Trip
of the
President
to
Mexico, Barbados,
and Costa Rica**

May 5 • 10, 1997

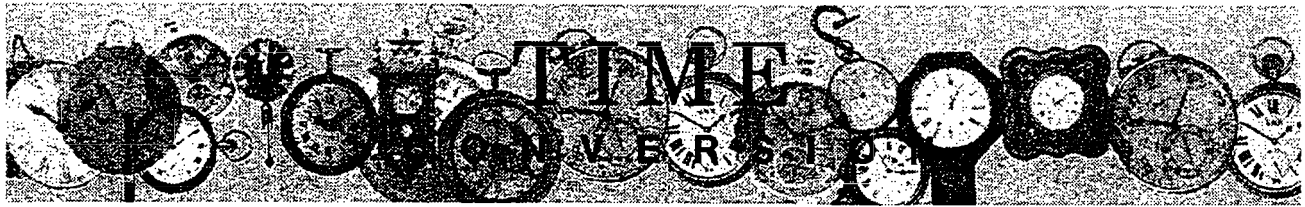
GENERAL INFORMATION

The Trip of the President to Mexico, Barbados, and Costa Rica

May 5 • 10, 1997

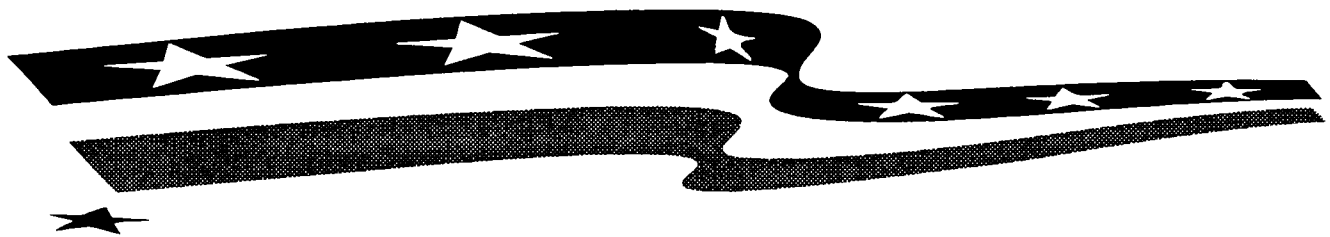


From/To:	Distance	Flying Time
Washington, D.C. (Andrews AFB) to Mexico City, Mexico	1,890 miles	4 hours
Mexico City, Mexico to San Jose, Costa Rica	1,220 miles	2 hours, 35 minutes
San Jose, Costa Rica to Bridgetown, Barbados	1,880 miles	3 hours, 40 minutes
Bridgetown, Barbados to Washington, D.C. (Andrews AFB)	2,210 miles	4 hours, 30 minutes



Washington, D.C. (DST)	Mexico City	San Jose	Bridgetown
0	-1	-2	0
0600	0500	0400	0600
0700	0600	0500	0700
0800	0700	0600	0800
0900	0800	0700	0900
1000	0900	0800	1000
1100	1000	0900	1100
1200	1100	1000	1200
1300	1200	1100	1300
1400	1300	1200	1400
1500	1400	1300	1500
1600	1500	1400	1600
1700	1600	1500	1700
1800	1700	1600	1800
1900	1800	1700	1900
2000	1900	1800	2000
2100	2000	1900	2100
2200	2100	2000	2200
2300	2200	2100	2300
2400	2300	2200	2400
0100	2400	2300	0100
0200	0100	2400	0200
0300	0200	0100	0300
0400	0300	0200	0400
0500	0400	0300	0500
0600	0500	0400	0600

+1 day



Notes on Gifts and Customs

Gifts

As set forth in 22 CFR Part 3, the Foreign Gifts Act specifies that employees and members of their families may accept and retain a gift tendered as a souvenir or mark of courtesy from foreign governments or their representatives if it is of "minimal value," which is currently defined as a retail value in the United States, at the time of acceptance, of \$225 or less. However, an employee may accept a gift valued at over \$225 only if to refuse it "would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States," and even then such a gift is deemed to have been accepted on behalf of the United States and, upon acceptance, becomes the property of the United States. Any such gift must, within 60 days after acceptance, either be deposited for disposal with the recipient's employing agency, or, subject to the approval of the employing agency, deposited with that agency for official use. For the President and First Lady of the United States, the depository for gifts is the White House Gift Unit, 457 Old Executive Office Building.

The Attorney General may bring a civil action in the U.S. District Court against any employee who knowingly has solicited or accepted a gift from a foreign government not consented to by the revised statute, or who has failed to deposit or report such a gift as the law requires. A penalty may be assessed in such a case in any amount not to exceed the retail value of the gift improperly solicited or received plus \$5,000.

Customs

Everyone will be expected to fill out a customs declaration form to be returned to the steward just prior to returning to a U.S. point of entry. You will need to note on the declaration when:

- The total fair retail value of articles acquired abroad exceeds \$400, or if acquired in American Samoa, Guam, or the U.S. Virgin Islands, \$800.
- More than 1 liter (33.8 fl. oz.) of alcoholic beverages, 200 cigarettes, or more than 100 cigars are included. Or if returning from American Samoa, Guam, or the U.S. Virgin Islands: more than 4 liters (135.2 fl. oz.) of alcoholic beverages, 100 cigars, and 1,000 cigarettes.
- Some of the items are not intended for your personal or household use, such as commercial samples, items for sale or use in your business, or articles you are bringing home for another person.
- Articles acquired in the U.S. Virgin Islands, American Samoa, or Guam are being sent to the United States.
- A customs duty or internal revenue tax is collectible on any article in your possession.

Note: "Courtesy of Port" does not mean you do not have to fill out a declaration or that you will not have to pay customs duty. Your declarations will

be reviewed by customs officials at the U.S. point of entry and you will be billed for any dutiable items purchased.

Prohibited and Restricted Articles

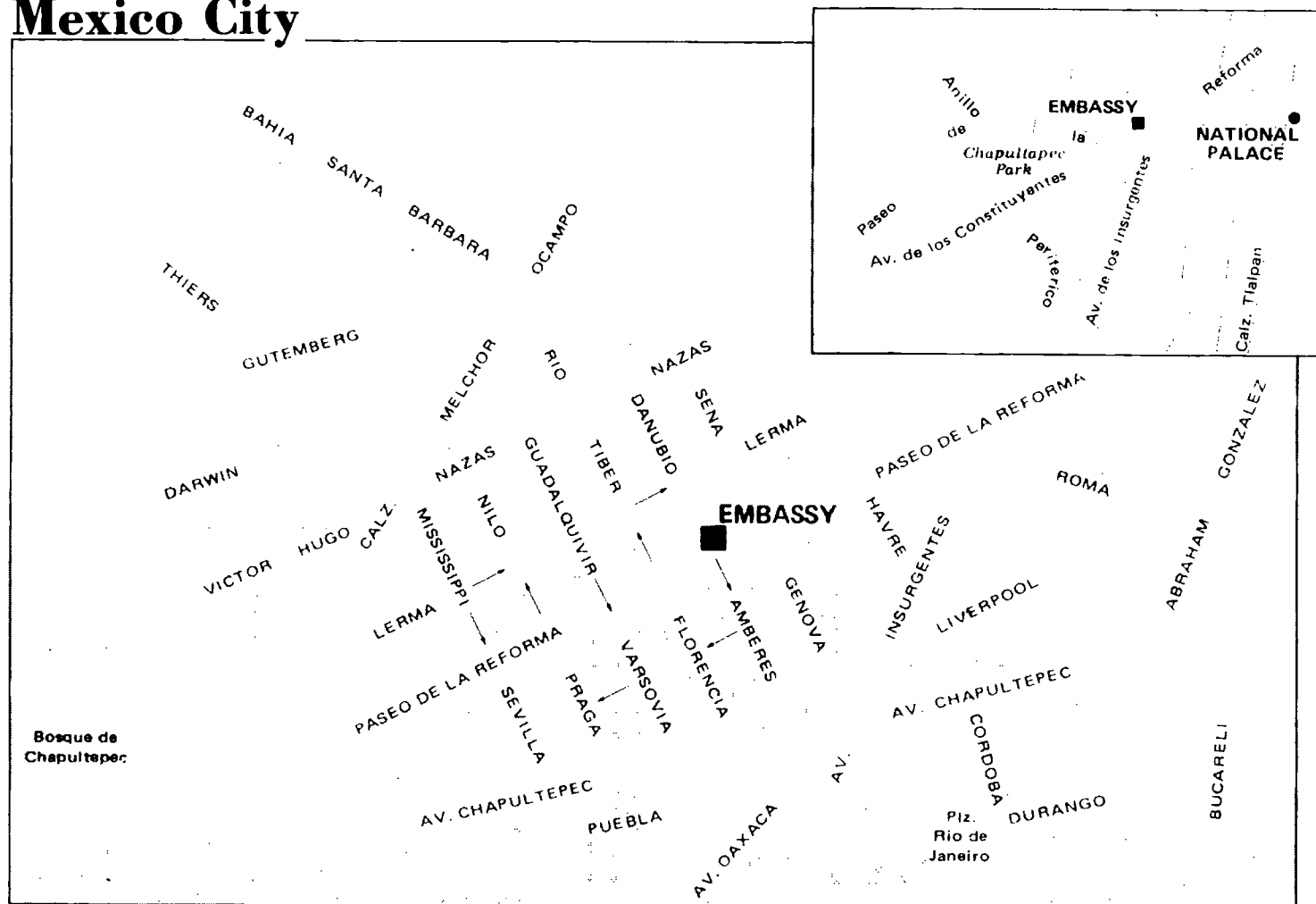
Some items must meet certain requirements, require a license or permit, or may be prohibited entry. Among these are:

- Absinthe
- Biological material
- Books protected by American copyright if unauthorized foreign reprints
- Candy, liquor-filled
- Copies of gold coins if not properly marked
- Electronic products subject to radiation emission standards
- Firearms and ammunition
- Food, drugs, and certain other items not approved by FDA
- Fruits, plants, vegetables and their products
- Hazardous articles (e.g., fireworks, dangerous toys, toxic or poisonous substances)
- Lottery tickets
- Meats, poultry, and products (e.g., sausage, pate, canned items)
- Motor vehicles not conforming to safety and emission standards
- Narcotics and dangerous drugs including medicine containing same
- Objects of Central and South American pre-Colombian Indian cultures
- Obscene articles and publications
- Pets (e.g., dogs, birds, turtles, monkeys)
- Seditious or treasonable matter
- Trademarked items (e.g., certain cameras, watches, perfumes)
- Switchblade knives
- Wildlife (birds, fish, animals) and endangered and protected species (e.g., pheasants; furskin; feathers, eggs, or skins of wild birds; articles from reptile skins, ivory, and whalebone).

MEXICO



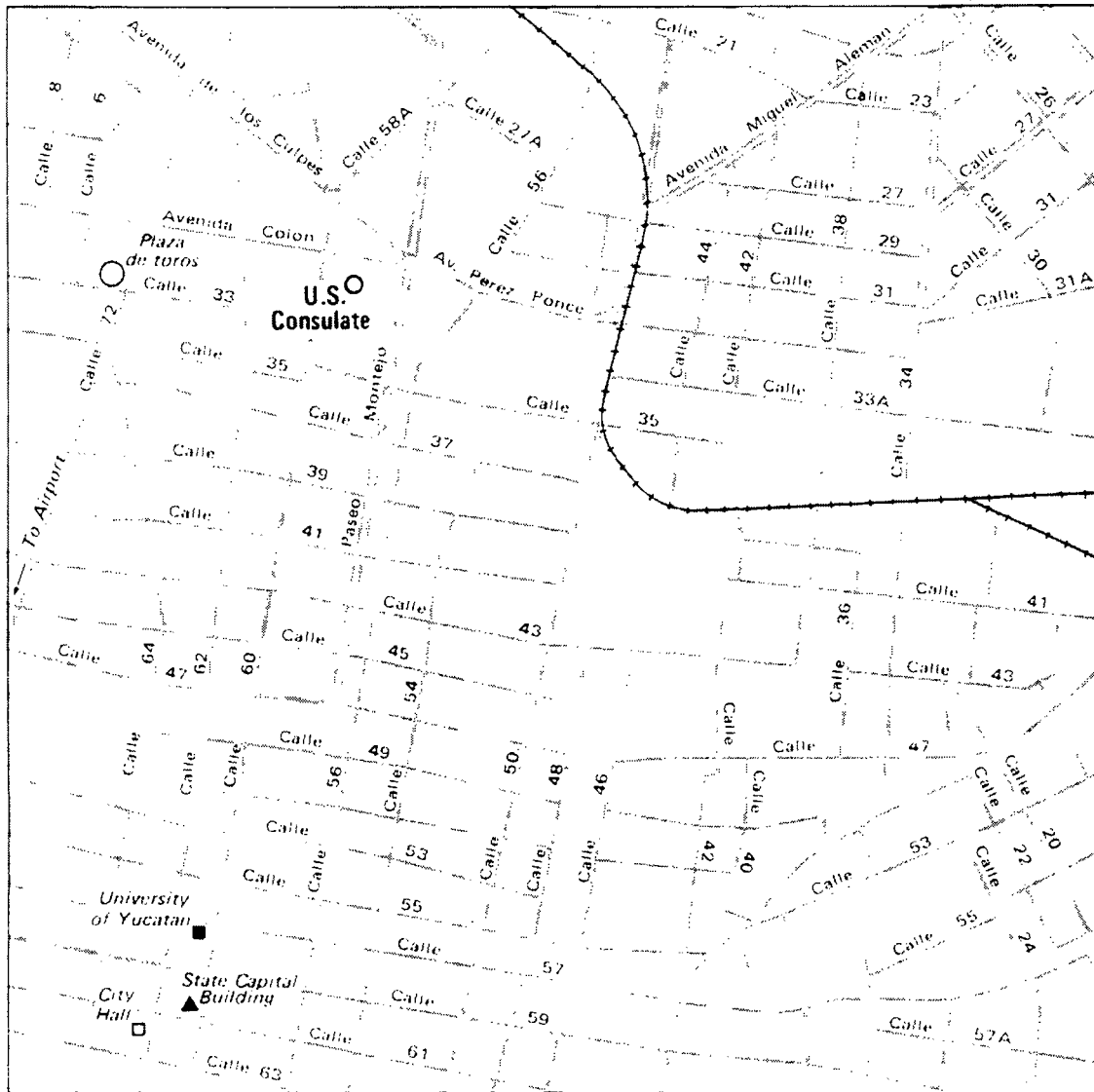
Mexico City



5616 5-84 STATE(IG)

This is a detailed street map of Mérida, Yucatán, Mexico. The map shows a grid of streets with various landmarks and a highlighted route. Key features include:

- Landmarks:**
 - U.S. Consulate:** Marked with a circle and labeled "U.S. Consulate".
 - Plaza de toros:** Marked with a circle and labeled "Plaza de toros".
 - University of Yucatan:** Marked with a square and labeled "University of Yucatan".
 - State Capital Building:** Marked with a triangle and labeled "State Capital Building".
 - City Hall:** Marked with a square and labeled "City Hall".
- Streets:**
 - Avenues:** Avenida 1, Avenida 2, Avenida 3, Avenida 4, Avenida 5, Avenida 6, Avenida 7, Avenida 8, Avenida 9, Avenida 10, Avenida 11, Avenida 12, Avenida 13, Avenida 14, Avenida 15, Avenida 16, Avenida 17, Avenida 18, Avenida 19, Avenida 20, Avenida 21, Avenida 22, Avenida 23, Avenida 24, Avenida 25, Avenida 26, Avenida 27, Avenida 28, Avenida 29, Avenida 30, Avenida 31, Avenida 32, Avenida 33, Avenida 34, Avenida 35, Avenida 36, Avenida 37, Avenida 38, Avenida 39, Avenida 40, Avenida 41, Avenida 42, Avenida 43, Avenida 44, Avenida 45, Avenida 46, Avenida 47, Avenida 48, Avenida 49, Avenida 50, Avenida 51, Avenida 52, Avenida 53, Avenida 54, Avenida 55, Avenida 56, Avenida 57, Avenida 58A.
 - Streets:** Calle 1, Calle 2, Calle 3, Calle 4, Calle 5, Calle 6, Calle 7, Calle 8, Calle 9, Calle 10, Calle 11, Calle 12, Calle 13, Calle 14, Calle 15, Calle 16, Calle 17, Calle 18, Calle 19, Calle 20, Calle 21, Calle 22, Calle 23, Calle 24, Calle 25, Calle 26, Calle 27, Calle 28, Calle 29, Calle 30, Calle 31, Calle 32, Calle 33, Calle 34, Calle 35, Calle 36, Calle 37, Calle 38, Calle 39, Calle 40, Calle 41, Calle 42, Calle 43, Calle 44, Calle 45, Calle 46, Calle 47, Calle 48, Calle 49, Calle 50, Calle 51, Calle 52, Calle 53, Calle 54, Calle 55, Calle 56, Calle 57, Calle 58, Calle 59, Calle 60, Calle 61.
- Route:** A thick black line with arrows indicates a route starting from the "To Airport" direction, passing through Calle 1, Calle 2, Calle 3, Calle 4, Calle 5, Calle 6, Calle 7, Calle 8, Calle 9, Calle 10, Calle 11, Calle 12, Calle 13, Calle 14, Calle 15, Calle 16, Calle 17, Calle 18, Calle 19, Calle 20, Calle 21, Calle 22, Calle 23, Calle 24, Calle 25, Calle 26, Calle 27, Calle 28, Calle 29, Calle 30, Calle 31, Calle 32, Calle 33, Calle 34, Calle 35, Calle 36, Calle 37, Calle 38, Calle 39, Calle 40, Calle 41, Calle 42, Calle 43, Calle 44, Calle 45, Calle 46, Calle 47, Calle 48, Calle 49, Calle 50, Calle 51, Calle 52, Calle 53, Calle 54, Calle 55, Calle 56, Calle 57, Calle 58, Calle 59, Calle 60, Calle 61, and ending at the U.S. Consulate.





Mexican Peso at Mex\$8.00 = U.S. \$

Peso to U.S. Dollars

Peso	U.S. \$
0.50	0.06
1.00	0.13
2.50	0.31
5.00	0.63
8.00	1.00
25.00	3.13
50.00	6.25
100.00	12.50
300.00	37.50
500.00	62.50
1,000.00	125.00
5,000.00	625.00
10,000.00	1,250.00

Dollars to U.S. Peso

U.S. \$	Peso
0.10	0.80
0.25	2.00
0.50	4.00
0.75	6.00
1.00	8.00
3.00	24.00
5.00	40.00
10.00	80.00
20.00	160.00
50.00	400.00
100.00	800.00
300.00	2,400.00
500.00	4,000.00

NOTE: All U.S. dollar values are rounded to the nearest U.S. cent. The value of the Peso fluctuates daily according to currency market conditions.

May 1997

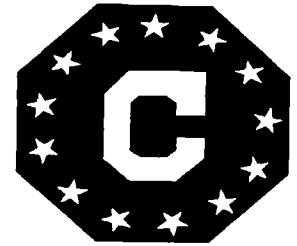


U. S. Department of State
Bureau of Consular Affairs
Washington, DC 20520

For recorded travel information, call 202-647-5225

Internet Address: travel.state.gov

For information by fax, call 202-647-3000 from your fax machine



Consular Information Sheet

Mexico

September 3, 1996

Country Description: Mexico has a rapidly developing economy. Luxury accommodations in major cities and resorts are widely available. Tourist facilities in more remote areas may be limited.

Entry Requirements: Proof of citizenship and photo identification are required for entry by all U.S. citizens. A passport and visa are not required for a tourist/transit stay of up to 180 days. A tourist card, issued by Mexican consulates and most airlines serving Mexico, is required. Minors require notarized consent from parent(s) if traveling alone, with one parent, or in someone else's custody. Mexican regulations limit the value of goods brought into Mexico by U.S. citizens arriving by air or sea to \$300 per person and by land to \$50 per person. Other travel-related items may also be brought in duty-free. Amounts exceeding the duty-free limit are subject to a 32.8 percent tax. Upon arrival in Mexico, business travelers must complete a form (FM-N 30 days) authorizing the conduct of business, but not employment, for a 30 day period. If the business traveler departs and re-enters, the 30-day period begins again. For further information concerning entry requirements, travelers may contact the Embassy of Mexico at 1911 Pennsylvania Avenue N.W., Washington, D.C. 20006, telephone (202) 736-1000, or any of the Mexican consulates in major U.S. cities. In response to the increased interest in immigration matters in the U.S., Mexican authorities may scrutinize more closely the visa situation of Americans residing or working in Mexico. Americans planning on working or living in Mexico, therefore, should be sure to apply for the appropriate Mexican visa (FM-2 or 3).

Special Information: Since December 1994, the Popocatepetl volcano has registered varying levels of seismic activity. Depending on the levels of activity, Mexican government officials have, at times, restricted access to the slope of the volcano. Americans planning to hike in the area should be alert to any warnings or signs posted on the slopes of the volcano. The U.S. Embassy encourages Americans planning to hike in the area to contact the embassy for the latest information about seismic activity.

Medical Facilities: Adequate medical care can be found in all major cities. Health facilities in Mexico City are excellent. Care in more remote areas is limited. U.S. medical insurance is not always valid outside the U.S. In some instances, supplemental medical insurance with specific overseas coverage and medical evacuation coverage has proven useful. Air pollution in Mexico City and Guadalajara is severe, especially from December to May. For additional health information, travelers may contact the Centers for Disease Control and Prevention's international travelers hotline at (404) 332-4559.

Crime Information: Crime continues to increase, particularly in urban areas. Travelers to Mexico should leave valuables and irreplaceable items in a safe place. All visitors to Mexico are encouraged to make use of hotel safes when available, to avoid wearing obviously expensive jewelry or designer clothing, and to carry only the cash or credit cards that will be needed on each outing. Travelers are discouraged from bringing very large amounts of cash into Mexico, as officials may suspect money laundering or other criminal activity. In the past year, there has been an increase in assaults on passengers in taxis. The U.S. Embassy in Mexico City recommends that only airport, tourist or CTO taxis (taxis from authorized taxi stands) be used. "Green and white" taxis and Volkswagen-style roving taxis should be avoided. If someone attempts to rob you, it is generally considered safest to immediately comply by handing over the requested items. Persons driving on some Mexican roads, particularly in isolated regions, have

been targeted by bandits, who operate primarily after dark. Criminals, particularly in Sinaloa, sometimes represent themselves as Mexican police or other local officials. Highway hold-ups in the state of Campeche have become bolder. While favored targets are long distance busses at night, reports have been received of busses being stopped and passengers robbed during daylight hours. The most risky roads appear to be route 186 heading east from Escarcega, Campeche and the secondary route between Escarcega and Candalaria, Campeche. Any U.S. citizen victims of crime in Mexico are encouraged to report the incident to local police authorities and to the nearest U.S. consular office.

The U.S. Embassy advises its personnel not to travel on Mexican highways after dark. Highway 15 and Express Highway 1 (limited access) in the state of Sinaloa are particularly dangerous areas where criminal assaults and murders have occurred both during the day and at night.

Driving Information: U.S. driver's licenses are valid in Mexico. Mexican insurance is required.

All Vehicular traffic is restricted in Mexico City in order to reduce air pollution. The restriction is based on the last digit of the vehicle license plate. (There is no specific provision regarding license plates with letters only.)

-Monday: No driving if license plate ends with 5 or 6.

-Tuesday: No driving if license plate ends with 7 or 8.

-Wednesday: No driving if license plate ends with 3 or 4.

-Thursday: No driving if license plate ends with 1 or 2.

-Friday: No driving if license plate ends with 9 or 0.

Also, no driving of vehicles with temporary license plates or any other plate that does not conform with the above.

-Saturday and Sunday: All vehicles may be driven.

Security: The Mexican military has reestablished authority in rural towns and villages in the State of Chiapas. However, there is still an armed rebel presence in more remote mountainous areas of the state. The situation remains unstable. Americans traveling to the areas are encouraged to exercise extreme caution and to contact the U.S. Embassy or Consulates for further security information prior to traveling to the region.

In August 1996, armed individuals claiming to be members of the Popular Revolutionary Army launched a series of small attacks and/or propaganda actions in seven states including Chiapas, Guerrero, Oaxaca, Puebla and the state of Mexico. There was no evidence of Americans or other tourists having been targeted. However, several Mexican military police and civilians were killed or injured in the incidents. While Mexican government authorities have taken steps to prevent further incidents, they could occur again. The Embassy suggests that American citizens travelling in Mexico exercise caution. Military roadblocks may be encountered while travelling and tourists should be prepared to show identification and have vehicles searched. For further information, travelers may contact the U.S. Embassy in Mexico City.

Traveling in Baja: During heavy seasonal rains (January-March), road conditions can become difficult and travelers can become stranded. For current Mexican road conditions between Ensenada and El Rosario, Mexico, travelers can contact the nearest Mexican consulate or tourism office or the U.S. Consulate General in Tijuana.

Travel through Mexico to Central American Countries: Mexican authorities require that all international transit of persons (transmigrantes) and merchandise through Mexico, destined for Central America, from the area from Ciudad Acuna to Matamoros, be handled by the Lucio Blanco-Los Indios customs office and by the Colombia, Nuevo Laredo customs office. Transmigrantes entering Mexico from areas other than the Ciudad Acuna-Matamoros zone will continue to use their regular ports of entry. Mexican authorities require that a customs broker handle the temporary entry into Mexico of all non-personal property of travelers destined for Central American countries. Fees will be processed through the customs broker. For more detailed information, travelers can contact the nearest Mexican consulate or tourism office or the U.S. Consulate in Matamoros prior to departing the U.S.

Bringing Vehicles, Boats and Trailers into Mexico: The government of Mexico strictly regulates the entry of vehicles into Mexico. Travelers going more than twenty-five kilometers into Mexico must complete appropriate temporary vehicle importation documentation. They should

carefully read the temporary vehicle importation information provided to them by Mexican authorities and ensure that the vehicle's title and import documents are in order and correctly completed. Check the expiration date on the temporary importation documents. Failure to carefully review documentation and comply with temporary vehicle importation regulations may lead to vehicle confiscation or a fine, which can be higher than the value of the vehicle. The owner of an imported vehicle should be present at all times the vehicle is in operation, or the vehicle may be confiscated. Mexican law permits the spouse or adult children of a U.S. citizen owner to drive his car, provided they are in the same immigration status as the U.S. citizen. If an unauthorized person drives the U.S. citizen's car, customs can legally impound the vehicle based on unauthorized importation. Travelers are advised to contact the nearest Mexican consulate in the U.S. for specific, detailed information prior to departing the U.S. Mexican law governing the entry requirements for boats and trailers is currently undergoing change. Travelers are advised to consult with the nearest Mexican consulate in the U.S. for detailed information prior to departing the U.S.

Drug Penalties: Penalties for drug offenses are strict, and convicted offenders can expect lengthy jail sentences and fines. Sentences for possession of drugs in Mexico can be as long as 25 years plus fines. Just as in the U.S., purchase of controlled medication requires a doctor's prescription. The Mexican list of controlled medication differs from the U.S. list, and Mexican public health laws concerning controlled medication are unclear. Possession of excessive amounts of a psychotropic drug such as Valium can result in arrest if the authorities suspect abuse. Travelers should check with the nearest Mexican consulate before traveling to Mexico to purchase medication.

Firearms Penalties: Possession of any gun or rifle without proper authorization by the Mexican authorities is considered a "Firearms Offense" in Mexico and carries stiff penalties. Possession of a single non-assault weapon carries a penalty of up to five years in Mexican prison. Sentences for possession of firearms in Mexico can be as long as 30 years. A permit from a Mexican consulate in the U.S. is required in order to import firearms or ammunition into Mexico, whether or not the firearm is legally registered in the U.S. The U.S. Embassy has noted an increase of American citizens being detained for illegally smuggling arms into Mexico. U.S. citizens should comply with all Mexican laws on arms, including any arms they may wish to bring in for hunting. Travelers should check with the nearest Mexican consulate before traveling to Mexico with firearms. Some Mexican cities have ordinances prohibiting the possession of knives or anything that might be construed as a weapon.

Dual Citizenship: U.S. citizens who are also considered to be Mexican citizens could be subject to compulsory military service and other aspects of Mexican law while in Mexico. Those who may be affected can inquire at the Mexican Embassy or a consulate to determine status. In some instances, dual nationality may hamper U.S. Government efforts to provide protection in Mexico.

Other Information: U.S. citizens who become involved in time-share or other real property purchases should be aware that Mexican laws and practices regarding real estate are markedly different from those in the U.S. Foreigners purchasing real estate or time-shares in Mexico have no protection under Mexican law and should be aware of the high risks involved. Foreigners may be granted the right to own real property only under very specific conditions, and the purchase of real property in Mexico is far more complicated than in the United States. For example, no title insurance is available in Mexico for the purchaser, and builders frequently go bankrupt, leaving the investors with little recourse to recoup their funds. Time share purchasers should also be aware that all contracts must be executed in Mexican pesos to be valid. If payment for the contract is made by credit card, the ultimate price of the contract negotiated in U.S. dollars may vary from the rate discussed. The U.S. Embassy strongly recommends the use of competent local legal assistance for any significant real property or business purchase. A list of local attorneys can be obtained from the U.S. Embassy or nearest U.S. Consulate in Mexico.

Caution at Beach Resorts: Visitors to Mexican resorts should carefully assess the risk potential in recreational activities and be cautious when swimming in pools and at beaches without lifeguards. Rented aquatic equipment may not be safe, mechanically reliable nor covered by any accident insurance. Para-sailing should be avoided since cases have been reported of tourists being dragged through palm trees or slammed into hotel walls while para-sailing.

Tips for Travelers: Useful information is provided in the Department of state pamphlets "A Safe Trip Abroad" and "Tips for Travelers to Mexico," which are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Aviation Oversight: In May 1992, the U.S. Federal Aviation Administration assessed Mexico's civil aviation authority as in compliance with international aviation safety oversight standards for Mexico's carriers operating to and from the U.S. For further information, travelers may contact the Department of Transportation at 1-800-322-7873.

Registration: U.S. citizens are encouraged to register at the U.S. Embassy or a consulate and obtain updated information on travel and security within Mexico.

Embassy and Consulate Locations: The U.S. Embassy is located in Mexico City at Paseo de la Reforma 305, Colonia Cuauhtemoc, telephone (52-5)211-0042.

There are also U.S. Consulates General in:

Ciudad Juarez at Avenida Lopez Mateos 924-N, telephone (52-16)134048;
Guadalajara at Progreso 175, telephone (52-36)25-2998;
Monterrey at Avenida Constitucion 411 Poniente 64000, telephone (52-83)45-2120; and
Tijuana at Tapachula 96, telephone (52-66)817400.

There are U.S. Consulates in:

Hermosillo at Ave. Monterrey 141, telephone (52-62)172375;
Matamoros at Ave. Primera 2002, telephone (52-88)12-44-02;
Merida at Paseo Montejo 453, telephone (52-99)25-5011; and
Nuevo Laredo at Calle Allende 3330, Col. Jardin, telephone (52-871)4-0512.

There are Consular Agencies in:

Puerto Vallarta at Parian Del Puente Local 12-A, telephone (52-322)2-0069;
Acapulco at Hotel Club Del Sol, telephone (52-748)5-7207/5-6600;
Cancun at Plaza Caracol Two, third level, no. 320-323, Boulevard Kukulcan, km. 8.5, Zona Hotelera, telephone (52-98) 83-02-72;
San Luis Potosi at Francisco De P. Mariel 102, Desp. One, telephone (52-481)2-1528; Oaxaca at Alcala 201, telephone (52-951)4-3054;
San Miguel de Allende at Dr. Hernandez Macias #72, telephone (52-465)2-2357/2-0068;
Tampico at Ave. Hidalgo #2000 local 4, telephone (52-12)13-2217;
Veracruz at Victims del 25 de Junio #388, telephone (52-29)31-5821;
Cabo San Lucas at Blvd. Marina Y Perdregeal, Local No. 3 Zona Centro, telephone (52-114) 3-35-66; and
Mazatlan at Hotel Playa Mazatlan, Rodolfo T. Loalza #202, Zona Dorada, 82110, telephone (52-69) 134-444 ext. 285.

No. 96-153

This replaces the Consular Information Sheet dated May 29, 1996, to add security information.



Fact Sheet: Working With Mexico, Building America's Future

Released by the Bureau of Inter-American Affairs, April 15, 1997.

U.S. relations with Mexico are as important as those with any country in the world. How the United States engages this neighbor and international partner now will have a direct effect on the lives and livelihoods of millions of Americans in the years to come.

Mexico's importance to the U.S. starts with the 2,000-mile border. Some 250 million people legally cross this frontier each year. More than 500,000 Americans currently reside in Mexico and 2,600 U.S. companies operate there. Sixty percent of foreign direct investment in Mexico comes from the U.S.

Mexico is the United States' third-largest trading partner, after Canada and Japan. Exports to Mexico soared from \$12.2 billion in 1986 to a record-setting \$56.8 billion last year. American exports have grown by almost one-third since 1994 alone. U.S. trade with Mexico is greater than the combined trade with the next two largest trading partners--China and Germany.

A stable, democratic, and prosperous Mexico is fundamental to U.S. national security. Ensuring that security requires a close, cooperative relationship with Mexico that allows the U.S. to take action on common problems such as drug trafficking, international crime, illegal migration, and environmental degradation.

Economic Partnership for American Prosperity

Mexico is an excellent trading partner and important contributor to American prosperity.

- Mexico buys three-quarters of its imports from the United States.
- Eight states -- Arizona, California, Indiana, Illinois, Michigan, New York, Ohio, and Texas -- each individually export more than \$1 billion worth of goods and services to Mexico each year.
- The United States' \$56.8 billion in exports to Mexico in 1996 were on a par with its exports to Japan, even though the Mexican economy is just one-seventh the size of its Japanese counterpart.
- As Mexico's economy continues its recovery, the prospects for continued U.S. export growth are excellent.

By joining with Mexico and Canada to form the North American Free Trade Agreement (NAFTA) in 1993, the United States ensured that American businesses would receive increasingly favorable treatment in this critical market. Under NAFTA, Mexican tariffs on U.S. goods will be reduced to zero, giving American products a valuable competitive edge.

NAFTA already has demonstrated its value to the U.S. Some 2.5 million U.S. jobs -- jobs that pay on average 17% more than non-export related work -- are tied to NAFTA trade.

During Mexico's last serious economic crisis in 1982, its government raised tariffs on all foreign products to more than 100%. Yet in the 1995 recession, Mexico continued to lower the rates charged on U.S. goods as required under NAFTA, even as it raised them on other, non-NAFTA countries' products.

It was in recognition of the importance of Mexico to the U.S. that President Clinton lead the creation of a multilateral lending package in response to the 1995 peso crisis. Mexico's strong recovery and

rapid return to international capital markets in 1996 have strongly validated this action. Mexico's improved economic situation allowed it to repay all \$13.5 billion in U.S. loans, along with \$580 million in interest, three years ahead of schedule.

2,000 Miles of Cooperation

From San Diego to Brownsville, the border with Mexico is a defining physical reality of the U.S.-Mexico relationship. The border provides great avenues to enhance trade and communications, but it also presents a number of important challenges.

Drug trafficking, migration and environmental degradation are all issues that neither the U.S. nor Mexico can address on its own. Progress on these issues demands that the U.S. seek ways to expand its already close cooperation with Mexico.

Drugs: The U.S. is the largest consumer of illegal drugs in the world and Mexico is the country through which the majority of these drugs pass on their way to U.S. markets. Enhancing U.S. cooperation with Mexico is therefore essential to control the flow of illegal narcotics, and clearly in our national interest.

President Zedillo has declared drug trafficking to be the greatest national security threat facing Mexico today. In the past year, Mexico has achieved some important successes against the narcotics trade.

- Seizures of marijuana jumped to a record 1,015 metric tons in 1996, up 30 percent from 1995.
- Cocaine seizures rose from 22.2 to 23.8 metric tons.
- Eradication of drug crops continued at record levels. 22,769 hectares of marijuana and 14,671 hectares of opium were eliminated.
- Drug-related arrests were up from 9,901 in 1995 to 11,283 in 1996 and included several high-level drug traffickers and their henchmen.
- President Zedillo showed his intolerance of high-level corruption by ordering the swift arrest of former anti-narcotics chief Gutierrez, an undersecretary of tourism, and other officials accused of betraying the public trust.

The President's decision to certify Mexico as fully cooperating with U.S. counternarcotics efforts was based on these and other facts. His decision was the right one for the U.S. and the best way to achieve maximum success against the flow of drugs into our country.

The U.S. is now expanding counternarcotics cooperation with Mexico. One major tool for coordinating efforts is the High Level Contact Group established in 1996. Chaired for the U.S. by National Drug Control Policy Director Barry McCaffrey, this senior-level commission gives officials in the U.S. and Mexican law enforcement community a way to deal directly with one another on major narcotics issues.

Migration and Travel: Mexico is the single most important source of migration--both legal and illegal--to the U.S.

Over 111,000 Mexicans immigrants legally come to reside permanently in the U.S. each year. Overall, almost 15 million Americans trace their ancestry to Mexico. 6.7 million of these individuals were born in Mexico. They constitute 28% of this country's foreign-born population.

These citizens and permanent residents are joined by millions of legal short-term visitors who come to the U.S. for business, educational opportunities or tourism. More than 9.5 million Mexicans visit the U.S. each year -- 25% of all legal foreign visitors. On average these temporary visitors spend \$1,500 per person during their stay.

The U.S. welcomes these legal visitors and immigrants who over the years have contributed greatly

to American society, culture, and economic development.

However, Mexico is also the single greatest source of illegal migration to the U.S. Mexican illegal migrants make up roughly half of the total of 5 million illegal residents estimated to be in the United States today.

Both the U.S. and Mexico recognize the need to preserve the integrity of the borders, as well as the dangers posed to individuals attempting to make illegal crossings. The Binational Commission (BNC) Working Group on Consular Affairs and Migration consults regularly on ways to better deal with these issues.

Mexican law enforcement officials are actively working with their U.S. counterparts to break up criminal alien smuggling rings. Mexico has also taken steps to curb the use of its territory by people from third countries as a staging area for attempts to illegally enter the U.S. Mexico deports more than 120,000 such third-country nationals each year.

Environment and Natural Resources: Pollution does not respect international boundaries. That is why the U.S. and Mexico must work together to better manage air, water, and other natural resources that directly affect the health and quality of life of millions of people in the border region.

Currently the United States and Mexico are:

- Working through the International Boundary and Water Commission (IBWC) to improve sanitation, flood control, and water conservation systems and meet the needs of a growing regional population. Sewage and wastewater treatment plants are being built or expanded to serve the Tijuana, Nogales, and Nuevo Laredo areas.
- Advancing with the Air Quality Management Basin initiative in the El Paso-Ciudad Juarez region to reduce air pollution.
- Identifying and financing border clean-up and infrastructure projects through the Border Environmental Cooperation Commission (BECC) and the North American Development Bank (NADBANK).

Supporting Mexico's Internal Reforms

Since the late 1980s, Mexico has undergone a series of difficult structural economic reforms. The Zedillo government has sustained a sensible macroeconomic course despite strong pressures to change policies in the face of Mexico's recession. At the same time, Mexico also is undergoing a profound political transformation as significant and far-reaching as this economic restructuring.

Last year, the Mexican congress passed substantial electoral system reforms which will provide for more open and fair political competition. Assisted by these reforms, Mexico's political system is becoming more pluralistic at all levels, with an increasing proportion of the population being governed by opposition parties at the state or local level.

The U.S. supports Mexico's efforts to strengthen democracy and advance economic development. It will continue to support these efforts and offer appropriate assistance if it is requested. The process of economic and political reform in Mexico can only strengthen bilateral ties and improve cooperation.

(###)



Return to DOSFAN Home Page.

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.



U.S. Department of State

Background Notes: Mexico, April 1997

Released by the Bureau of Inter-American Affairs.

OFFICIAL NAME: United Mexican States

PROFILE

GEOGRAPHY

Area: 1,972,500 sq. km. (761,600 sq. mi.); about three times the size of Texas.

Cities: Capital--Mexico City (15 million, 1990 census). Other cities--Guadalajara, Monterrey, Puebla, Leon.

Terrain: Coastal lowlands, central high plateaus, and mountains up to 5,400 m. (18,000 ft.).

Climate: Tropical to desert.

PEOPLE

Nationality: Noun and adjective--Mexican(s).

Population (1997 est.): 95 million. Annual growth rate (net): 1.8%.

Ethnic groups: Indian-Spanish (mestizo) 60%, Indian 30%, Caucasian 9%, other 1%.

Religions: Roman Catholic 89%, Protestant 6%, other 5%.

Language: Spanish.

Education: Years compulsory--12. Literacy--89%.

Health (1996 est.): Infant mortality rate--30/1,000.

Life expectancy--male 70 yrs., female 76 yrs.

Labor force (33 million): Agriculture, forestry, hunting, fishing--26%. Services--24%.

Commerce--24%. Manufacturing--15%. Construction--6%. Transportation and communication--4%.

Mining and quarrying--1%.

GOVERNMENT

Type: Federal republic.

Independence: First proclaimed September 16, 1810; republic established 1824.

Constitution: February 5, 1917.

Branches: Executive--president (chief of state and head of government). Legislative--bicameral.

Judicial--Supreme Court, local and federal systems.

Political parties: Institutional Revolutionary Party (PRI), National Action Party (PAN), Party of the Democratic Revolution (PRD), Labor Party (PT), and several small parties.

Suffrage: Universal at 18.

Administrative subdivisions: 31 states and a federal district.

ECONOMY

GDP (1997, proj.): \$370 billion.

Per capita GDP (1997, proj.): \$3,911.

Annual real GDP growth (1997, proj.): 4.5%; (1996): 5.1%; (1995): -6.2%

Avg. annual real GDP growth (1989-94): 3%.

Inflation rate (1997, proj): 18%; (1996): 28%.

Natural resources: Petroleum, silver, copper, gold, lead, zinc, natural gas, timber.

Agriculture (5.8% of GDP): Products--corn, beans, oilseeds, feedgrains, fruit, cotton, coffee, sugarcane, winter vegetables.

Industry: Types--manufacturing (22% of GDP), services, commerce, transportation and communications, petroleum and mining.

Trade: (1996, Bank of Mexico): Exports--\$96 billion: manufacturing 84%, petroleum and derivatives 10%, agriculture 5%, other 1%. Major markets: U.S. (84%), Europe (4%), South America (4%), Canada (2%).

Imports--\$89.5 billion: intermediate goods 80%, capital goods 10%, consumer goods 7%, other 3%.

Major sources: U.S. (76%), Europe (9%), Japan (5%), Canada (2%) (1996, U.S. Department of Commerce). Imports from U.S.--\$56.8 billion. Exports to U.S.-- \$73 billion.

Average exchange rate (1996): 7.60 pesos = U.S. \$1.

PEOPLE

Mexico is the most populous Spanish-speaking country in the world and the second-most populous country in Latin America after Portuguese-speaking Brazil. About 70% of the people live in urban areas. Many Mexicans emigrate from rural areas that lack job opportunities--such as the underdeveloped southern states and the crowded central plateau--to the industrialized urban centers and the developing areas along the U.S.-Mexico border. According to some estimates, the population of the area around Mexico City is about 20 million, which would make it the largest concentration of population in the world. Cities bordering on the United States, such as Tijuana and Ciudad Juarez, and cities in the interior, such as Guadalajara, Monterrey, and Puebla, have undergone sharp rises in population.

HISTORY

Highly advanced cultures, including those of the Olmecs, Mayas, Toltecs, and Aztecs, existed long before the Spanish conquest. Hernando Cortes conquered Mexico during the period 1519-21 and founded a Spanish colony that lasted nearly 300 years. Independence from Spain was proclaimed by Father Miguel Hidalgo on September 16, 1810; this launched a war for independence. An 1821 treaty recognized Mexican independence from Spain and called for a constitutional monarchy. The planned monarchy failed; a republic was proclaimed in December 1822 and established in 1824.

Prominent figures in Mexico's war for independence were Father Jose Maria Morelos; Gen. Augustin de Iturbide, who defeated the Spaniards and ruled as Mexican emperor from 1822-23; and Gen. Antonio Lopez de Santa Ana, who went on to control Mexican politics from 1833 to 1855.

Santa Ana was Mexico's leader during the conflict with Texas, which declared itself independent from Mexico in 1836, and during Mexico's war with the United States (1846-48). The presidential terms of Benito Juarez (1858-71) were interrupted by the Hapsburg monarchy's rule of Mexico (1864-1867). Archduke Maximilian of Austria, whom Napoleon III of France established as Emperor of Mexico, was deposed by Juarez and executed in 1867. General Porfirio Diaz was President during most of the period between 1877 and 1911.

Mexico's severe social and economic problems erupted in a revolution that lasted from 1910-20 and gave rise to the 1917 constitution. Prominent leaders in this period -- some were rivals for power -- were Francisco I. Madero, Venustiano Carranza, Pancho Villa, Alvaro Obregon, Victoriano Huerta, and Emiliano Zapata.

The Institutional Revolutionary Party (PRI), formed in 1929 under a different name, continues to be the most important political force in the nation. It emerged as a coalition of interests after the chaos of the Revolution as a vehicle for keeping political competition in peaceful channels. For almost 70 years, Mexico's national government has been controlled by the PRI, which has won every

presidential race and most gubernatorial races.

GOVERNMENT

The 1917 constitution provides for a federal republic with powers separated into independent executive, legislative, and judicial branches. In practice, the executive is the dominant branch, with power vested in the president, who promulgates and executes the laws of the Congress. The president also legislates by executive decree in certain economic and financial fields, using powers delegated from the Congress. The president is elected by universal adult suffrage for a six-year term and may not hold office a second time. There is no vice president; in the event of the removal or death of the president, a provisional president is elected by the Congress.

The Congress is composed of a Senate and a Chamber of Deputies. Consecutive re-election is prohibited. Senators are elected to six-year terms. Implementing constitutional changes made in 1996, for the first time on July 6, 1997, 32 of the 128 seats in the Senate will be elected by proportional representation from party lists on a national basis. With this change, some states may have more Senators than others. The 32 Senators elected in 1997 will only serve three-year terms, in order to bring the entire Senate back into the same cycle in the year 2000. Deputies serve three-year terms. In the lower chamber, 300 Deputies are directly elected to represent single-member districts, and 200 are selected by a modified form of proportional representation from five electoral regions created for this purpose across the country. The 200 proportional representation seats were created to help smaller parties gain access to the Chamber.

The judiciary is divided into federal and state court systems, with federal courts having jurisdiction over most civil cases and those involving major felonies. Under the constitution, trial and sentencing must be completed within 12 months of arrest for crimes that would carry at least a two-year sentence. Practice often does not meet this requirement. Trial is by judge, not jury, in most criminal cases. Defendants have a right to counsel, and public defenders are available. Other rights include defense against self-incrimination, the right to confront one's accusers, and the right to a public trial. Supreme Court Justices are appointed by the President and approved by the Senate.

National Security

Mexico's armed forces in 1995 numbered about 175,000. The army makes up about three-fourths of the total. One year of limited training is required of all males at age 18. Principal military roles include national defense, narcotics control, and civic action assignments such as road-building, search and rescue, and disaster relief.

Principal Government Officials

President--Ernesto ZEDILLO Ponce de Leon
Foreign Minister--Jose Angel GURRIA Trevino
Ambassador to the U.S.--Jesus SILVA-HERZOG Flores
Ambassador to the United Nations--Manuel TELLO Macias
Ambassador to the OAS--Carmen MORENO de del Cueto

Mexico maintains an embassy in the United States at 1911 Pennsylvania Ave. NW, Washington, DC 20006 (tel. 202-728-1600). Consular offices are located at 2827 16th St. NW, 20009 (tel. 202-736-1012), and the trade office is co-located at the embassy (tel. 202-728-1686).

Consulates general are located in Chicago, Dallas, Denver, El Paso, Houston, Los Angeles, Miami, New Orleans, New York, San Antonio, San Diego, and San Francisco; consulates are (partial listing) in Atlanta, Boston, Detroit, Philadelphia, Seattle, St. Louis, and Tucson.

POLITICAL CONDITIONS

Ernesto Zedillo Ponce de Leon was sworn in on December 1, 1994, as the President of Mexico. A trained economist with degrees from Yale, Zedillo served as Secretary of Programming and Budget

and Secretary of Education in the Salinas Administration prior to being elected.

President Zedillo continued the process already underway of opening Mexico's political system, reforming the justice system, curtailing corruption, strengthening the fight against narcotics trafficking, and furthering Mexico's market-oriented economic policies. A severe financial crisis occupied much of the Zedillo Administration's attention in 1995-96, creating a need for difficult emergency economic stabilization policies and intensified longer-term economic restructuring. Significant progress has been achieved in some areas.

Political Scene

Unexpected and traumatic events in early 1994 convulsed the Mexican political scene. In January 1994, peasants in the state of Chiapas briefly took up arms against the government, protesting alleged oppression and governmental indifference to poverty. The government and the Zapatista Army of National Liberation (EZLN) have negotiated on topics such as granting greater autonomy to indigenous peoples since then, reaching several partial accords. There have been no clashes since the government's unilaterally declared cease-fire in 1994, and the two sides remain committed to a negotiated peace settlement.

In March 1994, PRI presidential candidate Luis Donaldo Colosio was assassinated. In September 1994, PRI Secretary General Jose Francisco Ruiz Massieu was also assassinated. Although the gunmen in both murders and co-conspirators in the Ruiz Massieu murder were tried and convicted, the Mexican public is not satisfied that all the truth behind these crimes has been uncovered.

Investigations into the murders resulted in the apprehensions in February 1995 of a second gunman in the Colosio murder, the arrest of the brother of former president Carlos Salinas as a suspected mastermind behind the second crime, and the filing of charges in March 1995 against the brother of Ruiz Massieu for obstructing investigations into the murder. Additional charges, including illegal enrichment for amassing multi-million dollar fortunes in overseas bank accounts, were filed against both men and investigations were widened to include their associates.

This has led to a flurry of public scandals regarding supposed attempts at obstruction of justice and allegations of major corruption in police, judicial, military and other authorities, as well as big business, including allegations of ties to narcotics trafficking. The atmosphere of scandal around former President Carlos Salinas has turned him into something of an arch-villain in the popular mind.

A new group of uncertain origin and size, the Popular Revolutionary Army (EPR), made its appearance in southern Mexico on June 28, 1996. The Government considers the EPR a terrorist organization and has vowed to bring the group to justice. This and the assassination of senior law enforcement officers by suspected drug traffickers in northern Mexico also has contributed to increased attention and concern over public safety.

Recent Elections and Electoral Reform

A record 78% of registered voters cast ballots in the August 21, 1994, elections. Election officials declared Zedillo of the PRI the winner with 49% of the vote, followed by National Action Party (PAN) candidate Diego Fernandez de Cevallos with 26% and Cuauhtemoc Cardenas of the Party of the Democratic Revolution (PRD) with 17%. Despite isolated incidents of irregularities and problems, there was no evidence of systematic attempts to manipulate the elections or their results, and critics concluded that the irregularities which did occur did not alter the outcome of the presidential vote. Civic organizations fielded more than 80,000 trained electoral observers; foreigners -- many from the United States -- were invited to witness the process, and numerous independent "quick count" operations and exit polls validated the official vote tabulation.

These extraordinary electoral observation measures were needed to overcome public suspicions that electoral fraud might be committed. Over the years, the PRI has relied on extensive patronage and massive government and party organizational resources to maintain its continuance in power. In

many cases, the party has been accused of fraud. However, as numerous electoral reforms implemented since 1989 have aided in the further opening of the Mexican political system, opposition parties have made historic gains in elections at all levels. Most of the concerns shifted from fraud to campaign fairness issues.

In 1989, the PAN became the first opposition party to win a state governorship (in Baja California.) The PAN now governs four states: Guanajuato, Baja California, Jalisco, and Chihuahua. The party has also won a number of mayoral races, especially in urban areas. In recent years, however, controversies regarding state electoral results and/or campaign practices in Yucatan, Tabasco and elsewhere have pointed out the need for electoral practices to catch up with reformed electoral laws in some areas of the country.

During 1995-96 the political parties negotiated constitutional amendments to address electoral campaign fairness issues, which passed unanimously. In these negotiations, the parties were supported by consultations with civic organizations. It proved a disappointment when implementing legislation could not also be passed by consensus due primarily to disagreements over levels of public funding for political parties. The package of laws passed by the PRI majority in congress did include, however, major points of consensus that had been worked out with the opposition parties. The thrust of the new laws is to have public financing predominate over private contributions to political parties, to tighten procedures for auditing the political parties, and to strengthen the authority and independence of electoral institutions.

Even before the new electoral law was passed, opposition parties have obtained an increasing voice in Mexico's political system. While the ruling PRI still has substantial majorities in both houses of the Mexican Congress, 40% of its Chamber of Deputies and 33 of 128 senators were members of opposition parties. The PAN -- the largest opposition group -- rules over 37% of the country at the state and local levels.

The court system was also given greatly expanded authority to hear civil rights cases on electoral matters brought by individuals or groups. In short, a serious effort was made to "level the playing field" for the parties.

On July 6, 1997, all 500 members of the Chamber of Deputies and 32 members of the 128-member Senate will be elected. Also, an election will be held for the first time to choose the Mayor of Mexico City (to be known as the "Chief of Government of the Federal District"). This official was previously appointed by the president. Elections for state governors, state congresses, and/or for town mayors will be held in 11 states.

Other Reforms

To help reorganize the Mexican justice system, President Zedillo appointed as Attorney General a respected member of the opposition PAN party, the first time an opposition member has held a cabinet post in Mexico. (Attorney General Antonio Lozano was dismissed in late 1996 amid controversy regarding investigations into prominent murder and corruption cases.) Constitutional and legal changes were adopted to improve the performance and accountability of the Supreme Court and the Office of the Attorney General and the administration of federal courts. The Supreme Court, relieved of administrative duties for lower courts, was given responsibilities for judicial review of certain categories of law and legislation. A variety of laws was also passed in 1995-96 to help control organized crime.

Although the constitution provides for three branches of government, the Mexican presidency traditionally occupies a dominant position. In order to overcome this "presidentialism," the Zedillo Administration has sought to develop a greater role for the Congress, notably by inviting the participation of a multi-party legislative commission in the Chiapas peace negotiations and seeking congressional approval of the financial assistance package signed by the U.S. and Mexico in February 1995. The judicial reforms mentioned above are in part designed to allow the judicial

branch of government to become a more effective counter-weight to the other two branches. The Zedillo Administration has also promoted a "New Federalism" to devolve more power to state and local governments, starting with pilot programs in education and health.

Education

Although educational levels in Mexico have improved substantially in recent decades, the country still faces daunting problems. Education is one of the Government of Mexico's highest priorities and it has increased the education budget 7.2% over 1996 to \$15 billion for 1997 -- one-fourth of the total budget. Education in Mexico is also being decentralized from federal to state authority in order to improve accountability.

Education is mandatory from ages six through 18. The increase in school enrollments during the past two decades has been dramatic. By 1994, an estimated 59% of the population between the ages of six and 18 were enrolled in school. Primary (including preschool) enrollment in public schools from 1970 through 1994 increased from less than 10 million to 17.5 million. Enrollment at the secondary public school level rose from 1.4 million in 1972 to as many as 4.5 million in 1994. A rapid rise also occurred in higher education. Between 1959 and 1994, college enrollments rose from 62,000 to more than 1.2 million.

Although education spending has risen dramatically, given increased enrollment, a net decline occurred in per student expenditures. The Mexican Government concedes that despite this progress, 2 million children still do not have access to basic education, and hopes to provide access to half of those children by the year 2000.

ECONOMY

Sustained economic growth is vital to Mexico's prospects for a successful evolution to a more competitive democracy. Mexico's level of economic prosperity has a direct, though proportionally smaller impact on the U.S. as it affects trade and migration. In recent years Mexico has sought economic prosperity through liberalization of its trade regime. In January 1994, Mexico joined Canada and the United States in the North American Free Trade Agreement (NAFTA), which will phase out all tariffs over a 15-year period. Four months later, in April 1994, Mexico joined the Organization for Economic Cooperation and Development (OECD). Mexico was the first Latin American member of the Asia-Pacific Economic Cooperation forum (APEC), joining in 1993, and in January 1996, became a founding member of the World Trade Organization (WTO).

Mexico's NAFTA membership helped the Mexican economy grow by 3.5% in 1994. Following the December 1994 devaluation of the peso, however, Mexico experienced a severe financial crisis that also threatened the stability of other emerging market economies, especially in Latin America.

The United States responded by leading a group of international lenders in making available to Mexico over \$40 billion in international financial assistance, including \$20 billion from the United States. This action helped stabilize the Mexican economy, allowing Mexico to repay the loans to the United States more than three years ahead of schedule and with \$580 million in interest.

In 1996, Mexico's economy grew over 5%, recovering from the recession more briskly than anticipated. Inflation fell, unemployment fell and the peso stabilized. Mexican real GDP is expected to grow about 4% in 1997.

Although the 1995 recession was severe, with real GDP falling 6.2%, tough stabilization measures averted an even more serious collapse and brought about a rapid recovery. NAFTA contributed to the process of adjustment by enabling Mexico to reduce its current account deficit through increased exports rather than through slashing imports from the United States, as it had following the 1982 debt crisis.

Trade

Mexico was the United States third-ranked trading partner in 1996, accounting for 9% of U.S. trade. In 1996, U.S. \$56.8 billion in exports to Mexico were almost equal to our exports to Japan, even though the Mexican economy is just one-seventh the size of Japan's. The United States was Mexico's predominant trading partner, accounting for 84% of Mexican exports and 76% of Mexican imports. The chief U.S. exports to Mexico were motor vehicle parts, office equipment, and agricultural products; the top imports from Mexico included petroleum, cars and coffee. The United States in 1996 was the source of 60% of all direct foreign investment in Mexico.

U.S.-Mexico trade increased during NAFTA's first three years. In 1996, U.S. exports to Mexico were up 36% and U.S. imports from Mexico were up 80% over 1993 levels. Cyclical economic factors, rather than NAFTA, caused a trade deficit in 1995 and 1996; strong growth in U.S. demand, along with the Mexican recession and devaluation of the peso, increased U.S. imports while slowing growth in U.S. exports.

NAFTA eliminates restrictions on the flow of goods, services, and investment in North America. In addition to phasing out tariffs, NAFTA eliminates, as far as possible, non-tariff barriers and promotes safeguards for intellectual property rights -- patents, copyrights, and trademarks. The pact also includes provisions on trade rules and dispute settlement, and its parallel labor agreement seeks to ensure full protection of workers' rights.

Through its supplemental environmental cooperation agreement, NAFTA marked the first time in the history of U.S. trade policy that environmental concerns have been addressed in a comprehensive trade agreement. The pact also serves as a basis for enhancing ongoing U.S.-Mexico cooperation on a host of other issues that do not respect national borders.

Agriculture

Mexico's agrarian reform program began in 1917, when the government began distribution of land to farmers. Extended further in the 1930s, this cooperative agrarian reform, which guaranteed small farmers a means of subsistence livelihood, also caused land fragmentation and lack of capital investment, since commonly held land could not be used as collateral. This, combined with poor soil, several recent years of low rainfall, and rural population growth, has made it difficult to raise the productivity and living standards of Mexico's subsistence farmers.

Mexico's agricultural sector continues to experience heavy debt problems, even as the government seeks to foster a shift to a market-oriented and competitive farming industry. High interest rates for loans have compounded the difficulty for producers, and the 1994 peso crisis exacerbated the decline in productivity. According to the Mexican Government's office of statistics, agriculture accounted for 5.8% of GDP in 1996.

In an effort to raise rural productivity and living standards, Article 27 of the Mexican Constitution was amended in 1992 to allow for the transfer of communal land to the farmers cultivating it. They then could rent or sell it, opening the way for larger farms and economies of scale. By early 1996, however, only six farmers' cooperatives had voted to disincorporate. Since communal land use is formally reviewed only every two years, privatization of these communal lands may continue to be very slow.

In the past, the government encouraged production of basic crops such as corn and beans by maintaining support prices. In order to rationalize its agricultural sector, Mexico is phasing out its support price scheme. Corn production dropped in 1995 and 1996 as more was imported. The government in 1996 crafted federal-to-state agreements targeted at each states' most urgent needs, with the goal of increasing the use of modern equipment and technology in order to increase per-acre productivity.

In addition to this new initiative, the government is continuing PROCAMPO, the rural support program which provides the approximately 3.5 million farmers who produce basic commodities - about 64% of all farmers - with a fixed payment per hectare of cropland.

Manufacturing and Foreign Investment

Mexico's manufacturing sector in 1996 accounted for 22% of the GDP and 21% of employment in the formal urban economy. Manufacturing grew 11% after having declined 5% during Mexico's recession in 1995.

The industrial sector as a whole, which along with manufacturing includes construction, electricity and mining, grew 10% in 1996, following a drop of 8% in 1995. Construction rebounded with 11% growth after declining 23% in 1996.

In December 1993, Mexico passed a new foreign investment law which promotes competitiveness and established clear rules for the entry of international capital into productive activities. The law also permits foreigners to own non-residential property in the "restricted zones" - within 100 kilometers (62 miles) of the border and 50 kilometers of the coasts. Residential property in these zones still must be acquired via a trust through a Mexican financial institution. Total new direct foreign investment in 1995 was \$7 billion, down from \$11 billion in 1994. Direct foreign investment of at least \$8 billion is widely expected to have taken place in 1996, although the final tallies have not been released.

Transportation and Communications

The Zedillo Administration is continuing the previous government's modernization of infrastructure and services, deregulation and development of more efficient transport systems, and increased privatization. Mexico's land transportation network is one of the most extensive in Latin America. More than 4,000 kilometers (2,400 miles) of four-lane highway have been built through government concessions to private sector contractors since 1989. The 36,000 kilometers (22,000 miles) of government-owned railroads in Mexico are currently being privatized through sale of 50-year operating concessions. The Northeast railroad, Mexico's primary freight carrier, was privatized early in 1997 for \$1.4 billion. Another significant section, the Northwest railroad, will be privatized by mid-1997.

Tampico and Veracruz, on the Gulf of Mexico, are Mexico's two primary seaports. Recognizing that the low productivity of Mexico's 79 ports poses a threat to trade development, the government has steadily been privatizing port operations to improve their efficiency.

A number of international airlines serve Mexico, with direct or connecting flights from most major cities in the United States, Canada, Europe, Japan, and Latin America. Most Mexican regional capitals and resorts have direct air service to Mexico City or the United States. Airport privatization, based on the successful experience with ports, should begin by the end of 1997.

Mexico has taken significant steps to modernize its telecommunications system. A key element was the privatization in 1990 of the national telephone company, Telefonos de Mexico (TELMEX), which was sold to a consortium of Mexican investors, Southwestern Bell, and France Telecom. This privatization has meant an increased rate of infrastructure enhancement. In addition, eight regional companies are providing cellular telephone service to various parts of Mexico, resulting in a dramatic expansion of cellular telephone users. Two larger communications satellites have been ordered to replace the two now in use. The government has also opened the telecommunications sector to greater foreign investment. Starting in 1997, long-distance telecommunications service will be a much more competitive industry in Mexico, with nine consortia (two of them having significant fiber optic systems of their own) giving Telmex strong competition for the customer base.

FOREIGN RELATIONS

The Government of Mexico has sought to maintain its interests abroad and project its influence largely through moral persuasion. In particular, Mexico champions the principles of non-intervention and self-determination. In its efforts to revitalize its economy and open up to international competition, Mexico has sought closer relations with the U.S., Western Europe, and the Pacific

Basin. While the United States and Mexico are often in agreement on foreign policy issues, some differences remain--in particular, relations with Cuba. The U.S. and Mexico agree on the ultimate goal of establishing a democratic, free-market regime in Cuba but disagree on tactics to reach that goal.

Mexico actively participates in several international organizations. It is a supporter of the United Nations and Organization of American States systems and also pursues its interests through a number of ad hoc international bodies. Mexico has been selective in its membership in other international organizations. It declined, for example, to become a member of the Organization of Petroleum Exporting Countries. Nevertheless, Mexico does seek to diversify its diplomatic and economic relations, as demonstrated by its accession to GATT in 1986; its joining APEC in 1993; becoming, in April 1994, the first Latin American member of the OECD; and a founding member of the World Trade Organization (WTO) in 1996. Mexico attended the 1994 Summit of the Americas, held in Miami, and agreed to assume responsibility for coordination of the agenda item on education.

U.S.-MEXICAN RELATIONS

U.S. relations with Mexico are as important and complex as with any country in the world. A stable, democratic and economically prosperous Mexico is fundamental to U.S. interests. Our relations with Mexico have a direct impact on the lives and livelihoods of millions of Americans -- whether the issue is trade and economic reform, drug control, migration, or the promotion of democracy. The U.S. and Mexico are partners in NAFTA, and enjoy a rapidly developing trade relationship.

The scope of U.S.-Mexican relations goes far beyond diplomatic and official contacts; it entails extensive commercial, cultural, and educational ties, as demonstrated by the nearly 290 million legal crossings from Mexico to the United States in fiscal year 1995. In addition, more than half a million American citizens live in Mexico. More than 2,600 U.S. companies have operations there, and the U.S. accounts for 60% of all foreign direct investment in Mexico. Along the 2,000-mile shared border, state and local governments interact closely.

Since 1981, the management of the broad array of U.S.-Mexico issues has been formalized in the U.S.-Mexico Binational Commission, composed of numerous U.S. cabinet members and their Mexican counterparts. The Commission holds annual plenary meetings, and many sub-groups meet during the course of the year to discuss trade and investment opportunities, financial cooperation, consular issues and migration, legal affairs and anti-narcotics cooperation, cultural relations, education, energy, border cooperation, environment, labor, agriculture, health, housing and urban development, transportation, fisheries, tourism, and science and technology.

A strong partnership with Mexico is critical to controlling the flow of illicit drugs into the United States. The U.S. has certified Mexico as fully cooperating in this effort based on an unprecedented level of cooperation on counternarcotics and Mexico's own initiatives in fighting drug trafficking. This is the best way to ensure that Mexico's cooperation and anti-drug efforts grow even stronger.

During 1996, the U.S. and Mexico established a High-Level Contact Group (HLCG) on narcotics control to explore joint solutions to the shared drug threat, to coordinate the full range of narcotics issues and to promote closer law enforcement coordination.

The United States and Mexico have a long history of cooperation on environmental and natural resources issues, particularly in the border area, where there are serious environmental problems caused by rapid population growth, urbanization, and industrialization. Cooperative activities between the U.S. and Mexico take place under a number of agreements such as:

- A 1944 treaty creating the International Boundary and Water Commission, which has a wide range of responsibilities for solving U.S.-Mexico water and boundary problems such as distributing the waters of the Colorado River and the Rio Grande between the two countries; jointly operating international dams and other joint flood control works

along boundary rivers; and solving border water quality control problems. Since the early 1980's the IBWC has focused on border sanitation and groundwater resources.

The 1983 La Paz Agreement to Protect and Improve the Border Environment.

The 1993 North American Commission on Environmental Cooperation, created under NAFTA by the U.S., Mexico, and Canada, to strengthen environmental laws and address common environmental concerns; and

A November 1993 agreement between the U.S. and Mexico, also under NAFTA, establishing the Border Environmental Cooperation Commission (BECC) which works with local communities to build or upgrade environmental infrastructure such as wastewater treatment plants, drinking water systems, and solid waste disposal facilities; and the North American Development Bank (NADBANK), which leverages private sector capital to finance border environmental infrastructure projects certified by the BECC.

PRINCIPAL U.S. OFFICIALS

Ambassador--James R. Jones
Deputy Chief of Mission--Charles H. Brayshaw
Minister-Counselor for Political Affairs--Barbro A. Owens-Kirkpatrick
Minister-Counselor for Economic Affairs--William Brew
Counselor for Labor Affairs--John Ritchie
Minister-Counselor for Public Affairs (USIS)--Donald R. Hamilton
Minister-Counselor for Consular Affairs--Bruce Beardsley
Consul General (Acting) --Richard Gonzalez
Counselor for Scientific and Technological Affairs--Paul Maxwell
Counselor for Commercial Affairs--Kevin C. Brennan

The U.S. Embassy in Mexico is located at Paseo de la Reforma 305, 06500 Mexico, DF. U.S. Mailing Address: Box 3087, Laredo, Texas 78044-3087. Telephone (from the U.S.): (011)(52-5) 211-0042. The Embassy and the 18 other U.S. Consulates General, Consulates, and consular agents provide a range of services to American students, tourists, business people, and residents throughout Mexico.

U.S. Consulates General and Consulates and Officials

Consulate General, Ciudad Juarez--Larry Colbert
Address: Avenida Lopez Mateos 924-N, 32000 Ciudad Juarez, Chihuahua
Mailing Address: Box 10545, El Paso, Texas 79995-0545
Telephone (from the U.S.): (011)(52-16) 13-4048

Consulate General, Guadalajara--Danny B. Root
Address: Progreso 175, 44100 Guadalajara, Jalisco
Mailing Address: Box 3088, Laredo, Texas 78044-3088
Telephone (from the U.S.): (011)(52-38) 25-2998

Consulate General, Monterrey--Eileen M. Heaphy
Address: Avenida Constitution 411 Poniente, 64000 Monterrey, Nuevo Leon
Mailing Address: Box 3098, Laredo, Texas 78044-3098
Telephone (from the U.S.): (011)(52-83) 45-2120

Consulate General, Tijuana--Mirta Alvarez (Acting)
Address: Tapachula 96, 22420 Tijuana, Baja California Norte
Postal Address: P.O. Box 439039, San Diego, California 92143-9039
Telephone (from the U.S.): (011)(52-66) 81-7400

Consulate, Hermosillo--Sandra Salmon
Address: Calle Monterrey 141 Pte., 83260 Hermosillo, Sonora
Postal Address: Box 3598, Laredo, Texas 78044-3598
Telephone (from the U.S.): (011)(52-62) 17-2375

Consulate, Matamoros--Atim E. Ogunba
Address: Ave. Primera 2002, 87330 Matamoros, Tamaulipas
Postal Address: Box 633, Brownsville, Texas 78522-0633
Telephone (from the U.S.): (011)(52-88) 12-4402

Consulate, Merida--David R. Van Valkenberg
Address: Paseo Montejo 453, 97000 Merida, Yucatan
Postal Address: Box 3087, Laredo, Texas 78044-3087
Telephone (from the U.S.): (011)(52-99) 25-5011

Consulate, Nuevo Laredo--Isiah L. Parnell
Address: Calle Allende 3330, Col. Jardin, 88260 Nuevo Laredo, Tamaulipas
Postal Address: Box 3089, Laredo, Texas 78044-3089
Telephone (from the U.S.): (011)(52-87) 14-0512

Consular Agents

Acapulco--Joyce Anderson
Address: Hotel Club del Sol, 39300 Acapulco, Guerrero
Telephone (from the U.S.): (011)(52-74) 85-7207 or 5-6600

Cabo San Lucas--David Greenberg
Address: Blvd. Marina Y Calle del Cerro, Local No. 3, Zona Centro,
Cabo San Lucas, Baja California Sur
Telephone (from the U.S.): (011)(52-114) 3-3566

Cancun--Carole Butler
Address: Plaza Caracol 2, 3o piso, 320323 Blvd. Kukulcan,
Km. 8.5, Zona Hotelera, Cancun, Quintana Roo
Telephone (from the U.S.): (011)(52-988) 3-0272

Mazatlan--Jerianne Nelson Gallardo
Address: Hotel Playa Mazatlan, Roldolfo T. Loaiza 202,
Zona Dorada, 82110 Mazatlan, Sinaloa
Telephone (from the U.S.): (011)(52-69) 13-4444, ext. 285

Oaxaca--Mark A. Leyes
Address: Alcala 201, - Desp. 206 Oaxaca,
68000 Oaxaca, Oax.
Telephone (from the U.S.): (011)(52-951) 4-3054

Puerto Vallarta--Laura Holstrom
Address: Edificio Vallarta, Plaza
Zaragoza 160, Piso 2, Int. 18, 48300 Puerto Vallarta, Jalisco
Telephone (from the U.S.): (011)(52-322) 2-0069

San Luis Potosi--Kathleen C. Reza
Address: Francisco de P. Moriel 103-10, Desp. 1, San Luis Potosi,
Telephone (from the U.S.): (011)(52-481) 2-1528

San Miguel de Allende--Philip Maher
Address: Dr. Hernandez Macias 72, 37700 San Miguel de Allende, Guanajuato

Telephone (from the U.S.): (011)(52-415) 2-2357 or 2-0068

Tampico--Mary Elizabeth Alzaga
Address: Ejercito Mexicano No. 503-203, Col. Guadalupe
89120 Tampico, Tamaulipas
Telephone (from the U.S.): (011)(52-12) 13-2217

Veracruz--Edwin L. Culp
5 de Junio 388, Veracruz
Telephone (from the U.S.): (011)(52-29) 31-5821

OTHER CONTACT INFORMATION

American Chamber of Commerce of Mexico, A.C.
Lucerna 78-4
06600 Mexico, D.F. Mexico
Tel: (525) 724-3800
Fax: (525) 703-3908
E-Mail: amchammx@amcham.com.mx
(Branch offices also in Guadalajara and Monterrey)

U.S. Department of Commerce
International Trade Administration
Office of Latin America and the Caribbean
14th and Constitution, N.W.
Washington, D.C. 20230
Tel: 202-482-0305; 202-USA-TRADE
Fax: 202-482-0464

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 weekly magazine of U.S. foreign policy; daily press briefings; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at <http://www.state.gov>; this site has a link to the DOSFAN Gopher Research Collection, which also is accessible at <gopher://gopher.state.gov>.

U.S. Foreign Affairs on CD-ROM (USFAC). Published on a quarterly 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. Priced at \$76 (\$95 foreign), one-year subscriptions (MSDOS and Macintosh compatible) are available from 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, including *Country Commercial Guides*. 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.

(###)



[Return to DOSFAN Home Page](#)

This is an [official U.S. Government source](#) for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.

James Robert Jones **U.S. Ambassador to Mexico**

James Robert Jones was appointed U.S. Ambassador to Mexico in August 1993.

Mr. Jones is a past chairman and chief executive officer of the American Stock Exchange. He began his career in 1961 as a legislative assistant to Congressman Ed Edmondson (D-Okla.). He was a deputy special assistant, then special assistant and appointments secretary, to President Johnson, 1965–69. He practiced law and worked as a business development consultant in Tulsa, 1969–73.

Ambassador Jones was a Member of Congress from Oklahoma, 1973–87. He was chairman of the House Budget Committee, 1981–85; the Ways and Means Social Security Subcommittee, 1985–87; and the U.S.—Japan trade task force, 1977–80. He was a member of the Ways and Means Committee, 1975–87, and deputy majority whip, 1975–77. He was a partner in the Washington law firm of Dickstein, Shapiro & Morin, 1987–89.

In addition to heading the stock exchange, Mr. Jones was chairman of the American Business Conference and a director of organizations that include the American Red Cross, Regional Plan Association, Overseas Development Council, Maxwell School at Syracuse University, the New American Schools Development Corporation Committee for a Responsible Budget, U.S.-Japan Leadership Council, the Japan Society, Committee for Economic Development, and American Council for Capital Formation. He is a member of the Trilateral Commission and the Council on Foreign Relations.

Mr. Jones was born in Muskogee, Oklahoma on May 5, 1939. He received a B.A. from the University of Oklahoma and an LL.D from Georgetown University. He was an Army captain, 1964–66. His foreign language is Spanish. He has written articles on trade and economic issues in the *New York Times*, the *Washington Post*, and other publications. He is married to Olivia Barclay and has two sons.

Key U.S. Officials in Mexico City

Deputy Chief of Mission

Charles Brayshaw

Administrative Counselor

Russell F. King

Political Counselor

Barbro A. Owens-Kirkpatrick

Economic Counselor

William Brew

Commercial Counselor

Kevin C. Brennan

Minister-Consular for Consular Affairs

Bruce A. Beardsley

Regional Security Officer

Arthur W. Jones

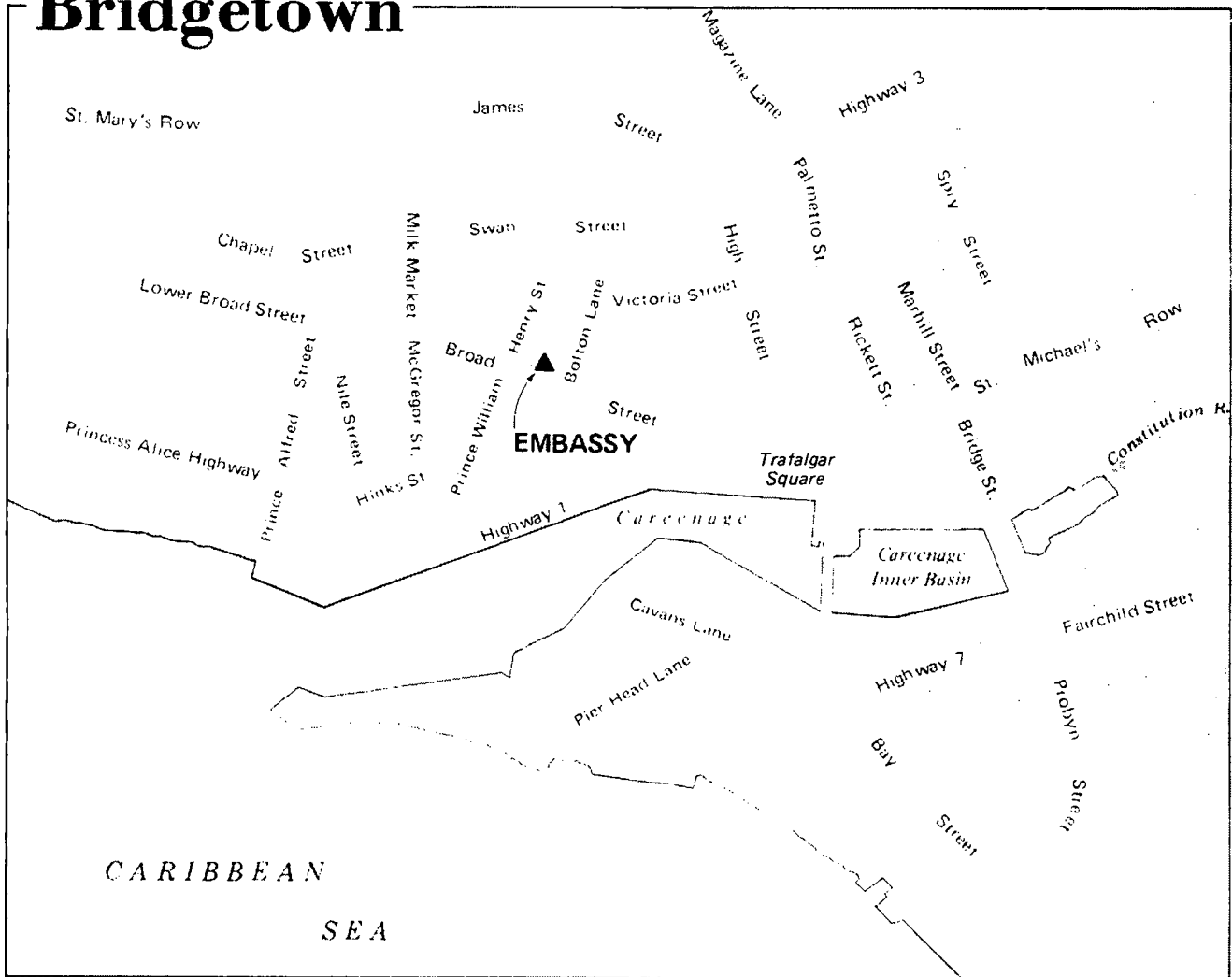
Public Affairs Officer

Donald R. Hamilton

BARBADOS



Bridgetown





Barbadian Dollar at Bds\$2.00 = U.S. \$

Bds Dollar to U.S. Dollars

Bds Dollar	U.S. \$
0.50	0.25
0.75	0.38
1.00	0.50
1.50	0.75
2.00	1.00
10.00	5.00
20.00	10.00
50.00	25.00
300.00	150.00
500.00	250.00
1,000.00	500.00
2,000.00	1,000.00
5,000.00	2,500.00

U.S. Dollars to Bds Dollar

U.S. \$	Bds Dollar
0.10	0.20
0.25	0.50
0.50	1.00
0.75	1.50
1.00	2.00
3.00	6.00
5.00	10.00
10.00	20.00
20.00	40.00
50.00	100.00
100.00	200.00
300.00	600.00
500.00	1,000.00

NOTE: All U.S. dollar values are rounded to the nearest U.S. cent. The value of the Barbadian Dollar fluctuates daily according to currency market conditions.

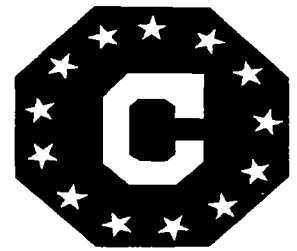


U. S. Department of State
Bureau of Consular Affairs
Washington, DC 20520

For recorded travel information, call 202-647-5225

Internet Address: travel.state.gov

For information by fax, call 202-647-3000 from your fax machine



Consular Information Sheet

Barbados

April 1, 1996

Country Description: Barbados has a moderately developed economy. Facilities for tourism are widely available.

The U.S. Embassy in Barbados also has responsibility for U.S. citizens in the independent countries of Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and The Grenadines, as well as the British West Indies (Anguilla, British Virgin Islands and Montserrat) and several French islands (Martinique, Guadeloupe and their dependencies).

Special Information on Montserrat: Volcanic activity on the island of Montserrat continues and is potentially dangerous. U.S. citizens considering travel to Montserrat may wish to contact the Consular Section of the U.S. Embassy in Bridgetown during normal business hours (8:00 a.m.-4:00 p.m.) at (809) 431-0225 or the Embassy switchboard, afterhours at (809) 436-4950, for current information prior to traveling.

Entry Requirements: U.S. citizens may enter Barbados for up to 28 days without a valid passport, but must carry original documentation proving U.S. citizenship (valid passport, expired passport, U.S. birth certificate, or certificate of naturalization), photo identification and onward/return ticket. U.S. citizen visitors who enter Barbados without these items, even if admitted by immigration authorities, can encounter difficulties in boarding flights for return to the U.S. For further information concerning entry requirements for Barbados, travelers may contact the Embassy of Barbados at 2144 Wyoming Avenue N.W., Washington, D.C. 20008, tel: (202) 939-9200 or the Consulate General in New York.

U.S. citizens may enter the British West Indies for tourist stays of up to three months, with proof of U.S. citizenship, photo identification, onward/return ticket and proof of sufficient funds. For further information concerning entry requirements for the islands of the British West Indies, travelers may contact the Embassy of the United Kingdom, 3100 Massachusetts Avenue, N.W., Washington, D.C. 20008, telephone (202) 462-1340, or the nearest British consulate in Atlanta, Boston, Chicago, Dallas, Los Angeles, New York or San Francisco.

For information on entry requirements for the six other independent countries under U.S. Embassy Barbados' responsibility, consult the Consular Information Sheets for those countries.

Medical Facilities: Medical care is generally good, but may be limited in outlying areas. Doctors and hospitals often expect immediate cash payment for health services. In some cases, supplementary medical insurance with specific overseas coverage, including provision for medical evacuation, may be useful. For additional health information, contact the Centers for Disease Control and Prevention's international travelers hotline at (404) 332-4559.

Crime Information: Street crime sometimes occurs. Valuables left unattended on the beach are subject to theft. The loss or theft of a U.S. passport overseas should be reported to the local police and the nearest U.S. Embassy or Consulate. A lost or stolen U.S. birth certificate or driver's license generally cannot be replaced outside the United States. Useful information on guarding valuables and protecting personal security while traveling abroad is provided in the Department of State pamphlet, "A Safe Trip Abroad." Both this pamphlet and "Tips for Travelers to the

Caribbean" are available from the Superintendent of Documents, U.S. Government Printing Office, Washington D.C. 20402.

Drug Penalties: U.S. citizens are subject to the laws of the country in which they are traveling. Criminal penalties for possession, use, or dealing in illegal drugs are strict, and convicted offenders can expect lengthy jail sentences and heavy fines.

Aviation Oversight - Montserrat and Anguilla: In June 1992, the U.S. Federal Aviation Administration assessed the civil aviation authority for Montserrat and Anguilla as in compliance with international aviation safety oversight standards for Organization of Eastern Caribbean States carriers operating to and from the U.S. However, during its assessment, the FAA noted that the Organization of Eastern Caribbean States' operations to destinations other than the U.S. are not provided a similar level of safety oversight. For further information, travelers may contact the Department of Transportation at 1 (800) 322-7873.

Embassy Location/Registration: U.S. citizens may register at the Consular Section of the U.S. Embassy in Barbados. The U.S. Embassy is located in Bridgetown in the Canadian Imperial Bank of Commerce Building on Broad Street; telephone (809) 436-4950. The Consular Section is located in the American Life Insurance Company (ALICO) Building, Cheapside; telephone (809) 431-0225. There are separate Consular Information Sheets for Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, British West Indies and French West Indies (including Martinique, Guadeloupe and French St. Martin). U.S. citizens may call the U.S. Embassy to obtain updated information on travel and security in these areas. There is also a U.S. Consular Agent for Antigua and Barbuda, St. Kitts and Nevis and the British West Indies in English Harbour, Antigua (809) 460-1569.

No. 96-079

This replaces the Consular Information Sheets dated December 23, 1994 for Barbados, the British West Indies and the British Virgin Islands to incorporate the three into one information sheet; to amend Barbados entry requirements and crime information; and to change the telephone number of the U.S. Consular Agent in Antigua.



Fact Sheet: U.S.-Barbados Relations

Released by the Bureau of Inter-American Affairs,
April 15, 1997.

United States-Barbados relations have been historically good since Barbados became independent in 1966. In July 1994, Barbados joined with other nations of the Caribbean Community (CARICOM) in backing U.S. efforts to implement UN Security Council Resolution 940, designed to facilitate the departure of Haiti's de facto authorities from power. Barbados contributed personnel to the U.S.-led Multinational Force, which restored the democratically elected Government of Haiti in October 1994, and participated in the follow-on UN mission until 1996.

The primary thrust of Barbados' diplomatic activity has been within international organizations. It is a member of the British Commonwealth, the United Nations, the Organization of American States, CARICOM, the Caribbean Development Bank, and the seven-nation Regional Security System.

Barbadian and U.S. authorities cooperate closely on counternarcotics issues. In 1996, the U.S. and Barbados signed a Mutual Legal Assistance Treaty (MLAT) and an updated extradition treaty covering all common offenses, including conspiracy and organized crime. The United States and Barbados are currently negotiating a Maritime Law Enforcement agreement. Barbados cooperates with the U.S. Coast Guard on a case-by-case basis.

The United States provided early support for Barbados' efforts to expand its economic base from dependence on sugar, but USAID ceased bilateral programs in the 1980's. Since then, U.S. assistance to Barbados has been channeled primarily through multilateral agencies such as the Inter-American Development Bank. Barbados receives counternarcotics assistance for its police, military, and coast guard, and benefits from the U.S. military's exercise-related and humanitarian assistance construction program. The U.S. supports regional economic development programs which benefit Barbados, and encourages its participation in the Caribbean Basin Initiative.

In 1751, George Washington visited Barbados, making what is believed to have been his only trip abroad. The U.S. Government has been represented in Barbados since 1824. From 1956 to 1978, the United States operated a naval facility in Barbados, and during the 1983 Grenada operation, Barbados was the staging area for U.S. air and sea operations. The U.S. Embassy in Barbados currently is accredited to seven independent nations of the eastern Caribbean and provides consular services to American citizens in the nearby European dependent territories.

(###)



[Return to DOSFAN Home Page](#)

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.



Fact Sheet: The Caribbean

Released by the Bureau of Inter-American Affairs, April 15, 1997.

The Caribbean region includes the tropical islands in the Caribbean Sea, extending for nearly 1,700 miles from Cuba to Barbados. Mixed in with the independent island nations of the Caribbean are dependent territories of the United States, the United Kingdom, The Netherlands, and France. Additionally, non-Spanish speaking nations of Central and South America (Belize, Suriname and Guyana) are part of the greater Caribbean region. Approximately 6 million Americans visit the islands as tourists every year.

Caribbean leaders have long espoused various forms of regional integration to deal with the inherent disadvantages of their small size and lack of resources. The Caribbean Community (CARICOM) was formed in 1973 to facilitate the economic and political integration, especially with regard to external policy, of the English-speaking Caribbean states. There are 13 independent nations and one U.K. dependent territory in CARICOM; all except Suriname are English-speaking former colonies of the United Kingdom. Belize in Central America and Guyana and Suriname on the South American continent belong to CARICOM, along with the islands of Antigua and Barbuda, Bahamas, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. Haiti and the Dominican Republic are not members of CARICOM but have observer status.

CARICOM's secretariat is in Georgetown, Guyana. Its Secretary General is Edwin Carrington of Trinidad and Tobago. There are several CARICOM sub-groupings intended to further regional cooperation on specific issues. First among these is the Conference of Heads of Government, which meets twice a year. Jamaican Prime Minister Patterson is the current chairman.

The Caribbean faces serious economic challenges as negotiations on the Free Trade Area of the Americas begin and preferential trade in traditional commodities comes to an end. Caribbean leaders need to embrace market-oriented economic reform, diversify their economies, promote economic integration, and attract foreign investment. Caribbean leaders see NAFTA as a threat to their investment and trade, but evidence suggests the actual impact has been minimal. The U.S. Caribbean Basin Economic Recovery Act continues to guarantee duty-free access for most Caribbean products.

Approximately one-third of the illegal drugs entering the U.S. transit through the Caribbean region. Caribbean cooperation with the United States on counternarcotics is extensive, including extradition and mutual legal assistance treaties, and maritime law enforcement agreements with most CARICOM nations. However, some countries of the Caribbean face a serious threat from narco-traffickers who seek to use their land, air, or sea for drug transshipments. Caribbeans fault the U.S. for creating the demand which brought drug trafficking to the region.

(###)



[Return to DOSFAN Home Page](#)

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.



U.S. Department of State

Background Notes: Barbados, April 1997

Released by the Bureau of Inter-American Affairs.

OFFICIAL NAME: Barbados

PROFILE

Geography

Area: 431 sq. km. (166 sq. mi.); about three times the size of Washington, DC.

Cities: Capital--Bridgetown.

Terrain: Generally flat, hilly in the interior.

Climate: Tropical.

People

Nationality: Noun and adjective--Barbadian(s); also "Bajan(s)."

Population (1995): 264,000.

Average annual growth rate (1995): 0.4%.

Ethnic groups: African 80%, mixed 16%, European 4%.

Religions: Anglican 70%, Roman Catholic, Methodist, Baptist, and Moravian.

Language: English.

Education: Attendance--primary school 100%, secondary school 93%. Adult literacy--99%.

Health: Infant mortality rate (1995)--13/1,000. Life expectancy--75 yrs. men, 77 yrs. women.

Work force (1995): 136,000. Sectors--commerce, tourism, government, manufacturing, agriculture, and fishing.

Unemployment (1995): 19.7%.

Government

Type: Parliamentary democracy; independent sovereign state within the Commonwealth.

Independence: November 30, 1966.

Constitution: 1966.

Branches: Executive--governor general (representing Queen Elizabeth II, head of state), prime minister (head of government), cabinet. Legislative--bicameral parliament. Judicial--magistrate's courts, Supreme Court (High Court and Court of Appeals), privy council in London.

Subdivisions: 11 parishes and the city of Bridgetown.

Political parties: Barbados Labor Party (BLP, incumbent), Democratic Labor Party (DLP), National Democratic Party (NDP).

Suffrage: Universal at 18.

Economy

GDP (1995): \$1.88 billion.

GDP growth rate (1995): 2.7%.

Per capita GDP (1995): \$7,100.

Average inflation rate (1995): 1.9%.

Natural resources: Petroleum, fishing, natural gas.

Agriculture (6.4% of GDP): Sugar accounts for 3.4% of GDP and 80% of arable land.

Industry: Manufacturing (6.8% of GDP)--food, beverages, textiles, paper, chemicals, fabricated products.

Services: Tourism, banking and other financial services, Informatics.

Trade: (1995) Exports--\$196 million. Major markets-- CARICOM 34%, U.K. 21%, U.S. 18%.

Imports--\$748 million. Major suppliers--U.S. 40%, European Union 16% (U.K. accounts for 9% of all suppliers), CARICOM 19%.

Official exchange rate: U.S. \$1=BDS \$2.

PEOPLE

Barbados' population is about 80% African descent, 4% European descent, and 16% mixed. About 70% of Barbadians are Anglican, and the rest mostly Roman Catholic, Methodist, Baptist, and Moravian. There also are small Jewish and Muslim communities. Barbados' population growth rate has been very low, less than 1% since the 1960s, largely due to family planning efforts and a high emigration rate.

HISTORY

British sailors who landed on Barbados in the 1620s at the site of present-day Holetown on the Caribbean coast found the island uninhabited. As elsewhere in the eastern Caribbean, Arawak Indians may have been annihilated by invading Caribs, who are believed to have subsequently abandoned the island.

From the arrival of the first British settlers in 1627-28 until independence in 1966, Barbados was under uninterrupted British control. Nevertheless, Barbados always enjoyed a large measure of local autonomy. Its House of Assembly, which began meeting in 1639, is the third-oldest legislative body in the Western Hemisphere, preceded only by Bermuda's legislature and the Virginia House of Burgesses.

As the sugar industry developed into the main commercial enterprise, Barbados was divided into large plantation estates which replaced the small holdings of the early British settlers. Some of the displaced farmers relocated to British colonies in North America. To work the plantations, slaves were brought from Africa; the slave trade ceased a few years before the abolition of slavery throughout the British empire in 1834.

Local politics were dominated by plantation owners and merchants of British descent. It was not until the 1930s that a movement for political rights was begun by the descendants of emancipated slaves. One of the leaders of this movement, Sir Grantley Adams, founded the Barbados Labor Party in 1938.

Progress toward more democratic government for Barbados was made in 1951, when universal adult suffrage was introduced. This was followed by steps toward increased self-government, and in 1961, Barbados achieved internal autonomy.

From 1958 to 1962, Barbados was one of 10 members of the West Indies Federation, and Sir Grantley Adams served as its first and only prime minister. When the federation was terminated, Barbados reverted to its former status as a self-governing colony. Following several attempts to form another federation composed of Barbados and the Leeward and Windward Islands, Barbados negotiated its own independence at a constitutional conference with the United Kingdom in June 1966. After years of peaceful and democratic progress, Barbados became an independent state within the British Commonwealth on November 30, 1966.

Under its constitution, Barbados is a parliamentary democracy modeled on the British system. The

governor general represents the monarch. Control of the government rests with the cabinet, headed by the prime minister and responsible to the parliament.

The bicameral parliament consists of the House of Assembly and Senate. The 28 members of the House are elected by universal suffrage to five-year terms. Elections may be called at any time the government wishes to seek a new mandate or if the government suffers a vote of no confidence in parliament. The Senate's 21 members are appointed by the governor general -- 12 with the advice of the prime minister, two with the advice of the leader of the opposition, and seven at the governor general's discretion.

Barbados has an independent judiciary composed of magistrate courts, which are statutorily authorized, and a Supreme Court, which is constitutionally mandated. The Supreme Court consists of the high court and the court of appeals, each with four judges. The Chief Justice serves on both the high court and the court of appeals. The court of last resort is the Judicial Committee of Her Majesty's Privy Council in London, whose decisions are binding on all parties. Judges of the Supreme Court are appointed by the governor general on the recommendation of the prime minister after consultation with the leader of the opposition.

The island is divided into 11 parishes and the city of Bridgetown for administrative purposes. There is no local government. Barbados' defense expenditures account for about 2.5% of the government budget.

POLITICAL CONDITIONS

The three political parties--the Barbados Labor Party (BLP), the Democratic Labor Party (DLP), and the National Democratic Party (NDP)--are all moderate and have no major ideological differences; electoral contests and political disputes often have personal overtones. The major political problems facing Barbados today are in promoting economic growth: creating jobs, encouraging agricultural diversification, attracting small industry, and promoting tourism.

In parliamentary elections held September 6, 1994, the BLP won a decisive victory over the DLP of former Prime Minister Erskine Sandiford. The BLP won 19 seats to the DLP's eight; one seat went to the NDP. The new Prime Minister, Owen Arthur, who also serves as Minister of Finance, has given a high priority to economic development. The main opposition party, the DLP, is led by David Thompson.

Principal Government Officials

Head of State--Queen Elizabeth II

Governor General--Sir Clifford Straughn Husbands

Prime Minister--Owen Arthur

Ambassador to the U.S. and the OAS--Dr. Courtney Blackman

Ambassador to the UN--Carlston Boucher

Barbados maintains an embassy in the United States located at 2144 Wyoming Avenue, NW, Washington, DC 20008 (tel. 202-939-9200), a consulate general in New York City at 800 2nd Avenue, 18th Floor, New York, NY 10017 (tel. 212-867-8435), and a consulate general in Miami at 150 Alhambra Circle, Suite 1270, Coral Gables, FL 33134 (tel. 305-442-1994).

ECONOMY

Since independence, Barbados has transformed itself from a low-income economy dependent upon sugar production to a middle-income economy based on tourism. The economy went into a deep recession in 1990 after three years of steady decline brought on by fundamental macro-economic imbalances. After a painful readjustment process, the economy began to grow again in 1993. The economy grew by 4% in 1994, slipped to 2.7% in 1995, but appears likely to have achieved a 3% or

better increase in 1996.

The main factors responsible for the improvement in economic activity include: an expansion in the number of tourist arrivals, an increase in the volume of manufacturing production, and an increase in sugar production. Recently, offshore banking and financial services have also become an important source of foreign exchange and economic growth.

Economic growth has led to net increases in employment in the tourism sector, as well as in construction and other services sub-sectors of the economy. The public service remains Barbados' largest single employer. Although the total labor force increased from 126,000 in 1993 to 136,000 by December 1995, unemployment fell from 21.5% at the height of the recession to an estimated 16.8% in mid-1996. The exchange rate remains steady at U.S. \$1=BDS \$2.

FOREIGN RELATIONS

As a small nation, the primary thrust of Barbados' diplomatic activity has been within international organizations. The island is a member of the Commonwealth and participates in its activities. Barbados was admitted to the United Nations in December 1966. Barbados joined the Organization of American States (OAS) in 1967.

On July 4, 1973, Barbados, Trinidad and Tobago, Guyana, and Jamaica signed a treaty in Trinidad to found the Caribbean Community and Common Market (CARICOM). In May 1974, most of the remaining English-speaking Caribbean states joined CARICOM, which now has 14 members. Barbados is also a member of the Caribbean Development Bank, established in 1970, with headquarters in Bridgetown. The eastern Caribbean's regional security system, which associates Barbados with six smaller island nations, is also headquartered in Barbados. In July 1994, Barbados joined the newly established Association of Caribbean States (ACS).

As a member of CARICOM, Barbados supported efforts by the United States to implement UN Security Council Resolution 940, designed to facilitate the departure of Haiti's de facto authorities from power. The country agreed to contribute personnel to the multinational force, which restored the democratically elected government of Haiti in October 1994.

Barbados has diplomatic missions headed by resident ambassadors or high commissioners in Canada, the U.K., the U.S., and Venezuela, and at the European Union (Brussels) and the UN. It also has resident consuls general in Toronto, Miami, and New York City. Australia, Brazil, Cuba, Canada, Colombia, China, Guatemala, the U.K., the U.S., and Venezuela have ambassadors or high commissioners resident in Barbados.

U.S.-BARBADIAN RELATIONS

In 1751, George Washington visited Barbados, making what is believed to have been his only trip abroad. The U.S. Government has been represented on Barbados since 1824. From 1956 to 1978, the U.S. operated a naval facility in Barbados.

The U.S. and Barbados have had friendly bilateral relations since Barbados' independence in 1966. The U.S. has supported the government's efforts to expand the country's economic base and to provide a higher standard of living for its citizens. Barbados is a beneficiary of the U.S. Caribbean Basin Initiative. In recent years, U.S. assistance has been channeled primarily through multilateral agencies such as the Inter-American Development Bank and the World Bank.

Barbados also receives counter-narcotics assistance and is the beneficiary of the U.S. military's exercise-related and humanitarian assistance construction program.

Barbados and U.S. authorities cooperate closely in the fight against narcotics trafficking and other forms of transnational crime. In 1996, the U.S. and Barbados signed a mutual legal assistance treaty

(MLAT) and an updated extradition treaty covering all common offenses, including conspiracy and organized crime.

A popular tourist destination, Barbados had more than 111,700 U.S. visitors in 1996. In addition, Barbados had nearly 510,000 cruise ship passenger arrivals, the majority of whom were U.S. citizens. Approximately 3,000 Americans reside in the country.

Principal U.S. Embassy Officials

Ambassador--Jeanette W. Hyde
Deputy Chief of Mission--Donald K. Holm
Political/Economic Counselor--Stephen R. Snow
Consul General--Philip M. Jones
Defense Attache--Lt. Col. Donald Robinson
Regional Labor Attache--Peggy Zabriskie
Economic/Commercial Officer--Leo Gallagher
Public Affairs Officer--Jennifer Clark
Peace Corps Director--David Styles (resident in St. Lucia)

The U.S. embassy in Barbados is located in the Canadian Imperial Bank of Commerce Building, Broad Street, Bridgetown (tel: 246-436-4950; fax: 246-429-5246).

Other Contact Information:

U.S. Department of Commerce
International Trade Administration
Office of Latin America and the Caribbean
14th & Constitution Avenue, N.W.
Washington, D.C. 20230
Tel: 202-482-1658, 800-USA-Trade
Fax: 202-482-0464

Caribbean/Latin American Action
1818 N Street, N.W.
Suite 310
Washington, D.C. 20036
Tel: 202-466-7464
Fax: 202-822-0075

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; directories of key officers of foreign service posts; etc. DOSFAN's World Wide Web site is at <http://www.state.gov>; this site has a link to the DOSFAN Gopher Research Collection, which also is accessible at <gopher://gopher.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, including Country Commercial Guides. 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.

(###)



Return to DOSFAN Home Page.

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.

Jeanette W. Hyde
U.S. Ambassador to Barbados

Jeanette W. Hyde was appointed U.S. Ambassador to Barbados in March 1994.

From 1972–73, Mrs. Hyde was a social worker in Cumberland County, North Carolina. She was a partner and operator of the Women's Retail Business in Fayetteville, North Carolina from 1971–78; a member-at-large, North Carolina Board of Transportation, from 1977–84; and from 1978 until her appointment, a manager of a personal portfolio of financial investments. In 1982, she returned to social work at the Wake County Board of Social Work in Raleigh, North Carolina, where she was served until 1984. In 1986, she was an investor and member of the Board of Directors, McGuffey's Restaurant Chain in Asheville, North Carolina. From 1988–94, she was an incorporator and member of the board of directors, audit committee and community reinvestment committee at the Triangle Bank and Trust Company in Raleigh, North Carolina.

Ambassador Hyde was born on June 15, 1938 in Hamptonville, North Carolina. She received a B.S. from Delta State University in 1962 and attended the University of Maryland, Iraklion, Crete Branch, from 1963–64. In 1989 she received Academy of Women, Chair from the WYCA and the Outstanding Public Servant Award from Cumberland County in 1970. She is on the Board of Directors of North Carolina Global Transpark and the North Carolina Child Advocacy Institute. She is married to Wallace Nathaniel Hyde. Her languages are Greek and French.

Key U.S. Officials in Bridgetown

Deputy Chief of Mission

Donald W. Holm

Political/Economic Officer

Stephen R. Snow

Administrative Officer

Earl A. Ferguson

Economic Officer

Leo Gallagher

Consul General

Philip M. Jones

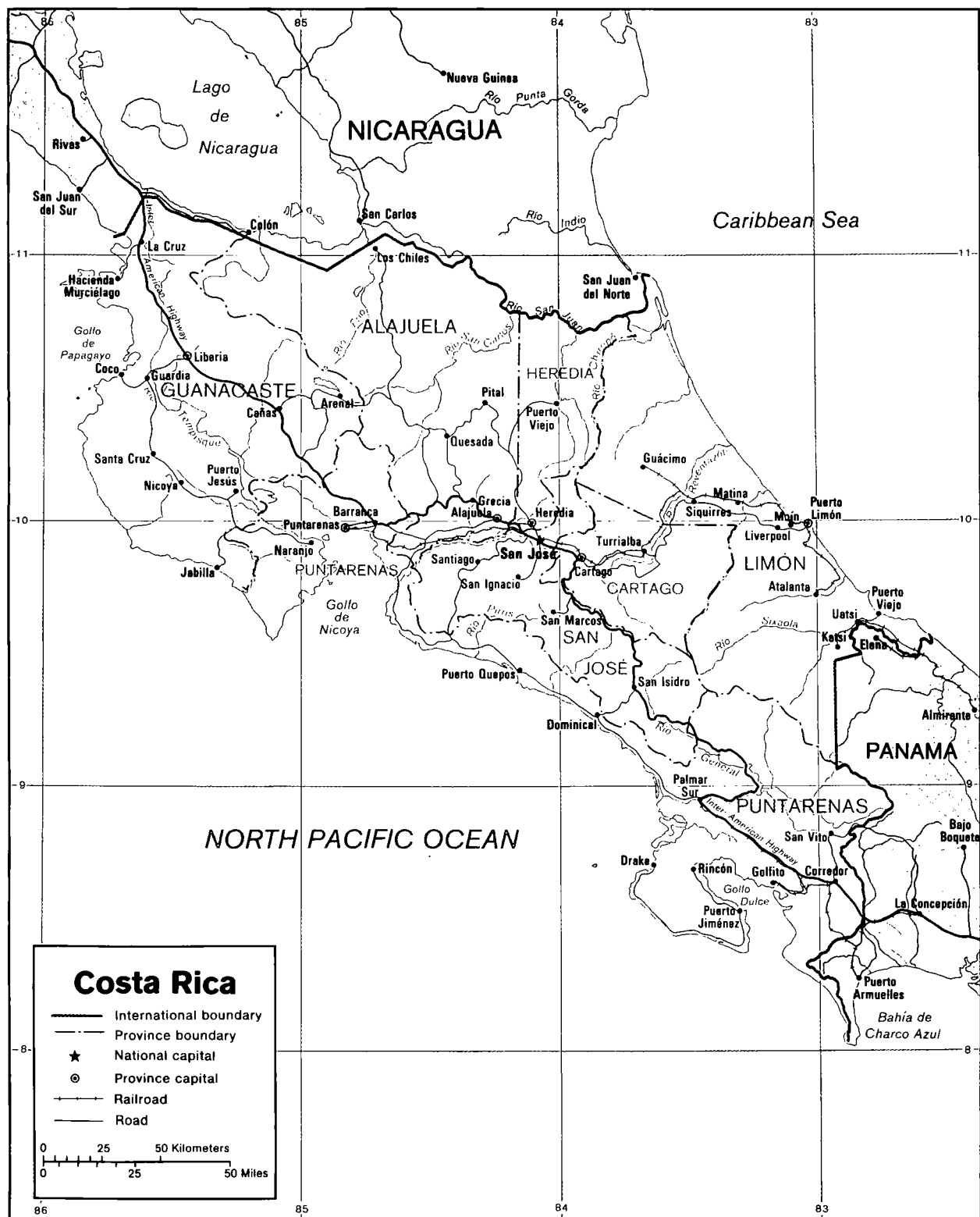
Regional Security Officer

Edward Moreno

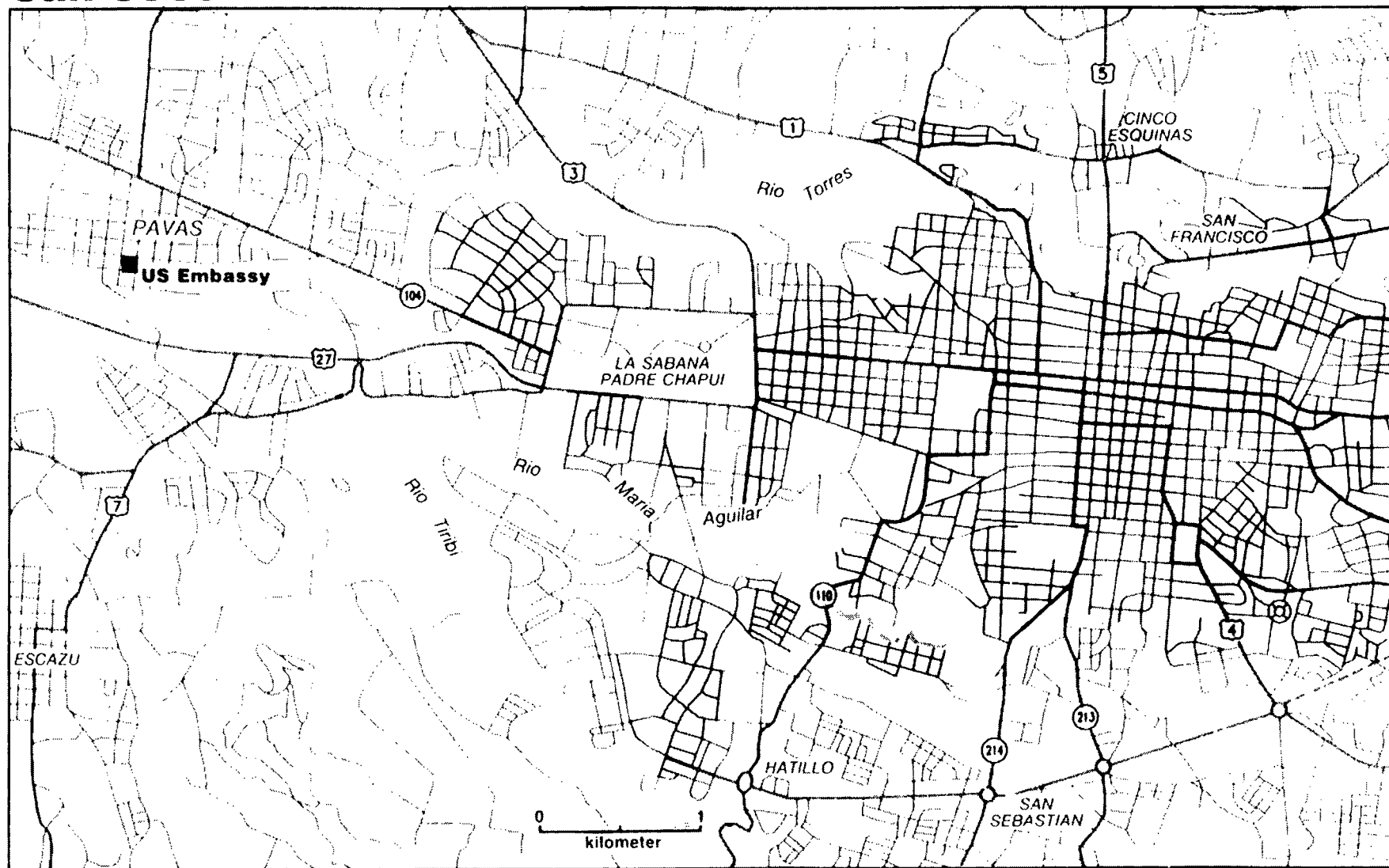
Public Affairs Officer

Jennifer Clarke

COSTA RICA



San Jose





Costa Rican Colon at ₡224.00 = U.S. \$

Colon to U.S. Dollars		U.S. Dollars to Colon	
Colon	U.S. \$	U.S. \$	Colon
50.00	0.22	0.10	22.40
75.00	0.33	0.25	56.00
100.00	0.45	0.50	112.00
150.00	0.67	0.75	168.00
224.00	1.00	1.00	224.00
500.00	2.23	3.00	672.00
1,000.00	4.46	5.00	1,120.00
5,000.00	22.32	10.00	2,240.00
10,000.00	44.64	20.00	4,480.00
20,000.00	89.29	50.00	11,200.00
50,000.00	223.21	100.00	22,400.00
100,000.00	446.43	300.00	67,200.00
500,000.00	2,232.14	500.00	112,000.00

NOTE: All U.S. dollar values are rounded to the nearest U.S. cent. The value of the Colon fluctuates daily according to currency market conditions.

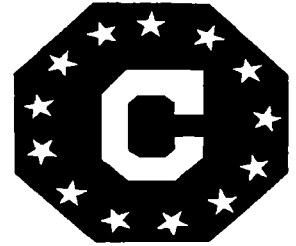


U. S. Department of State
Bureau of Consular Affairs
Washington, DC 20520

For recorded travel information, call 202-647-5225

Internet Address: travel.state.gov

For information by fax, call 202-647-3000 from your fax machine



Consular Information Sheet

Costa Rica

December 3, 1996

Country Description: Costa Rica is a developing country. Tourist facilities, particularly in the capital, are generally adequate.

Entry Requirements: A valid passport is required to enter Costa Rica. At the discretion of Costa Rican authorities, travelers are sometimes admitted with a certified copy of their U.S. birth certificate and valid photo I.D. for tourist stays up to 90 days. Additional information on entry requirements may be obtained from the consular section of the Embassy of Costa Rica at 2114 S Street, N.W., Washington, D.C. 20008, telephone (202) 328-6628, or the nearest consulate in Los Angeles, San Francisco, San Diego, Denver, Miami, Honolulu, Atlanta, Chicago, New Orleans, Las Vegas, New York, Houston or St. Paul.

Medical Facilities: Medical care in the capital city of San Jose is adequate. However, in areas outside of San Jose, medical care is more limited. Doctors and hospitals often expect immediate cash payment for health services. U.S. medical insurance is not always valid outside the United States. Supplemental medical insurance with specific overseas coverage, including provision for medical evacuation, has proven useful in many emergencies. For additional health information, travelers may contact the Centers for Disease Control and Prevention's international travelers' hotline at (404) 332-4559.

Crime Information: Crime is on the upswing, and tourists as well as the local populace are frequent victims. Pickpocketings, muggings, house and car break-ins and thefts are common, and are becoming increasingly violent in nature. Travelers should ensure that they purchase an adequate level of locally valid theft insurance when renting vehicles. Never leave valuables in the vehicle and park in paid lots whenever possible. Car-jackings are also on the rise and motorists have been confronted at gunpoint while stopped at traffic lights or upon arrival at their homes. Two U.S. citizens have been killed during robbery attempts over the past three years. There have been several recent kidnappings, including foreigners. Incidents of crime commonly occur in downtown San Jose, at beaches, at the airport, and at national parks and other tourist attractions. There have been several assaults on tourist buses as well. Travelers who keep valuables out of sight, do not wear jewelry, and travel in groups during daylight hours lessen their risk. Local law enforcement agencies have limited capabilities. Money exchangers on the street will pass off counterfeit U.S. dollars and local currency. Credit card fraud is growing. Vehicles should not be left unattended, nor should any items be left inside.

Some trails in national parks have been closed because of low numbers of visitors and reported robberies of hikers in the area. Tourists should check with forest rangers for current park conditions.

The loss or theft abroad of a U.S. passport should be reported immediately to local police and to the U.S. Embassy in San Jose. Travelers may wish to carry a copy of their passport data page and leave the passport, itself, in the hotel safe or other safe location. Useful information on guarding valuables and protecting personal security while traveling abroad is provided in the Department of State pamphlet, "A Safe Trip Abroad." This publication, as well as others, such as "Tips for Travelers to Central and South America," are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Drug Penalties: U.S. citizens are subject to the laws of the country in which they are traveling. Penalties in Costa Rica for possession, use and trafficking in illegal drugs are strict, and

convicted offenders can expect lengthy jail sentences and fines.

Investment Issues: Costa Rica has a long history of investment and real estate scams and frauds perpetrated against U.S. citizens and international visitors. Title insurance is not available in Costa Rica. There have been numerous instances of duly registered property reverting to previously unknown owners who have shown they possess clear title and parallel registration. In addition, some U.S. citizen landowners have had longstanding expropriation disputes with the government of Costa Rica, and others have had their property invaded by squatters, whom they have been unable to evict. Pavones, on the south Pacific coast, is the area most affected by squatter/landowner disputes. Persons contemplating buying land should seek competent legal advice concerning their rights as landowners, inspect the property, and assess local conditions prior to purchase.

Aviation Oversight: In October 1991, the U.S. Federal Aviation Administration assessed Costa Rica's civil aviation authority as in compliance with international aviation safety oversight standards for Costa Rica's carriers operating to and from the U.S. The same level of safety oversight would typically be applied to operations to other destinations. For further information, travelers may contact the Department of Transportation at telephone 1-800-322-7873.

Traffic Safety/Road Conditions: Traffic laws and speed limits are often ignored; turns across one or two lanes of traffic are common, and pedestrians generally are not given the right of way. Roads are often in poor condition and large potholes capable of causing significant damage to vehicles are common. All of the above, in addition to poor visibility because of heavy fog or rain, makes driving at night especially treacherous. All types of motor vehicles are sufficient for the main highways and the principal roads in the major cities. However, many roads to beaches and other rural locations are not paved, and some out-of-the-way destinations are accessible only with high clearance, rugged suspension vehicles.

Registration/Embassy Location: U.S. citizens may register with the Consular Section of the U.S. Embassy in San Jose and may also obtain updated information on travel and security within Costa Rica. The U.S. Embassy in Costa Rica is located in Pavas, San Jose, telephone (506) 220-3050. The Embassy is open Monday through Friday, and closed on Costa Rican and U.S. holidays. For emergencies arising outside normal business hours, U.S. citizens may call telephone (506) 220-3127 and ask for the duty officer.

No. 96-187

This replaces the Consular Information Sheet dated January 25, 1996, to update information on entry requirements, crime and investment issues and to add a section on traffic safety/road conditions.



Fact Sheet: U.S.-Costa Rica Relations

Released by the Bureau of Inter-American Affairs, April 17, 1997.

Costa Rica is a well-established democracy and friend of the United States, a relationship based on common interests and shared values. The Costa Ricans are strongly pro-American and the public welcome of the President will be extraordinarily warm. President Figueres has made close relations with the United States a key aspect of his international agenda, including participating in the Haiti Multi-National Force. Costa Rica works cooperatively with the United States against narcotics trafficking.

Costa Rica differs with the United States on other issues. It maintains diplomatic relations with Taiwan. Its embassy in Israel is in Jerusalem. The Government of Costa Rica opposes the embargo on Cuba.

The United States is Costa Rica's most important trading partner, and over 200 American companies produce a variety of goods in Costa Rica. Intel is now building a \$300 million chip assembly plant near San Jose. As many as 35,000 U.S. citizens, mainly retirees, live in Costa Rica. An estimated 150,000 to 200,000 visit annually.

Private United States citizens have several pending disputes with the Government of Costa Rica arising from property expropriations, Government of Costa Rica failure to prevent or reverse land takeovers by squatters, or cancellation of licenses. Most expropriation cases are being slowly resolved through arbitration or litigation in the Costa Rican courts. The squatter cases have proved more problematic and could remain an irritant for some time. Costa Rican laws provide inadequate protection for land owners, especially in rural areas, and laws that do apply are often inadequately enforced by understaffed police forces.

Costa Rica joined the EU banana regime, which restricted Latin American sales in Europe and injured U.S. companies, thus guaranteeing itself European market access and share. The United States considered imposing sanctions on Costa Rica for its participation in the regime, but deferred when Costa Rica agreed not to oppose a WTO action against the regime. A WTO dispute settlement panel's preliminary decision found that the EU's regime violated its WTO obligations. As a low-cost producer, Costa Rica would benefit from a more open EU market.

Costa Rica's comparatively high per capita GDP has moved the country into "advanced developing country" status. USAID closed its mission in Costa Rica in August 1996. Some programs begun by USAID are now being managed by the Costa Rica-USA (CRUSA) Foundation. The Government of Costa Rica is concerned now because the Peace Corps plans to end its program there in mid-1998.

Though U.S. assistance has dropped markedly from the late 1980's, it continues and will be worth approximately \$18 million in FY1997. Some programs, such as screw-worm eradication, are on-going. Others are one-time efforts, such as help after Hurricane Cesar devastated the south-west coast in August 1996.

(###)



[Return to DOSFAN Home Page](#)

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S.

Government links does not imply endorsement of contents.



U.S. Department of State

Background Notes: Costa Rica, November 1996

Released by the Bureau of Inter-American Affairs.

OFFICIAL NAME: Republic of Costa Rica

PROFILE

GEOGRAPHY

Area: 51,032 sq. km. (19,652 sq. mi.); about twice the size of the state of Vermont.
Cities: Capital -- San Jose (metropolitan area population of 1.2 million). Other major cities -- Alajuela (250,000), Puntarenas (300,000), Limon (150,000), Cartago (150,000).
Terrain: A rugged, central range separates the eastern and western coastal plains.
Climate: Mild in the central highlands, tropical and subtropical in coastal areas.

PEOPLE (July 1995)

Nationality: Noun and adjective -- Costa Rican(s).
Population: 3.3 million.
Annual growth rate: 2.4%
Ethnic groups: European and some mestizo 94%, African origin 3%, indigenous 1%.
Religion: Roman Catholic approx. 85%, Evangelical Protestant approx. 15%, Others: Less than 1%.
Languages: Spanish, with Jamaican dialect of English spoken around Puerto Limon.
Education: Years compulsory -- 9. Attendance--nearly 100%.
Literacy -- 94%.
Health: Infant mortality rate -- 13/1,000. Life expectancy -- men 72 years, women 76 years.
Work force (1995, 1.2 million): Services -- 45%. Agriculture -- 22%. Industry - 17%. Construction -- 6%. Transportation -- 5%. Banking and finance -- 4%.

GOVERNMENT

Type: Democratic Republic.
Independence: September 15, 1821.
Constitution: November 7, 1949.
Branches: Executive -- President (Head of Government and Chief of State) elected for one four-year term, two Vice Presidents, Cabinet (19 ministers). Legislature -- 57-Deputy unicameral Legislative Assembly elected at four-year intervals. Judicial -- Supreme Court of Justice (22 magistrates elected by Legislative Assembly for renewable eight-year terms).
Subdivisions: Seven provinces, divided into 81 cantons, subdivided into 421 districts.
Political parties: National Liberation Party (PLN), Social Christian Unity Party (PUSC), Democratic Force (FD) Agricultural Union Party of Cartago (PUAC), National Agrarian Party (PAN).
Suffrage: Obligatory at 18.

ECONOMY

GDP (1995) \$9.3 billion.

Real growth rate (1995) 2.5%.

Per capita income (1995): \$2,964.

Natural resources: Hydroelectric power.

Industry (22% of GDP): Products--food processing, textiles and clothing, construction materials, fertilizer, petroleum refining.

Agriculture (19% of GDP): Products -- bananas, coffee, beef, sugarcane, rice, vegetables, ornamental plants and fruits.

Commerce and tourism (40% of GDP): hotels, restaurants, tourist services, banks and insurance.

Foreign Trade (1995): Exports -- \$2.6 billion: bananas, coffee, beef, textiles and clothing, fruits, sugar, flowers and ornamental plants. Major markets -- U.S. 42%, Europe 32%, Central America 16%, Japan 1%.

Imports--\$3.3 billion: machinery, vehicles, consumer goods, chemicals, petroleum products, foods, fertilizer. Major suppliers -- U.S. 48%, Europe 28%, Japan 15%, Central America 5%.

Currency exchange rate: (Aug. 1996) 210 colones = \$1.

U.S.-COSTA RICAN RELATIONS

The United States and Costa Rica have a history of close and friendly relations based on respect for democratic government, human freedoms, and other shared values. During the crisis in Central America in the 1980s, Costa Rica and the United States worked for the restoration of peace and the establishment of democracy on the isthmus. Costa Rica works cooperatively with the United States and other nations in the international fight against narcotics trafficking.

The United States is Costa Rica's most important trading partner, and over 200 American companies produce a variety of goods in Costa Rica. The two countries share growing concerns for the environment and want to use wisely Costa Rica's important tropical resources and prevent environmental degradation.

The United States responded to Costa Rica's economic needs in the 1980s with significant economic and development assistance programs. Through provision of more than \$1.1 billion in assistance, USAID supported Costa Rican efforts to stabilize its economy and broaden and accelerate economic growth through policy reforms and trade liberalization. Assistance initiatives in the 1990s concentrated on democratic policies, modernizing the administration of justice, and sustainable development. The Peace Corps has some 100 volunteers, who provide technical assistance in the areas of environmental education, natural resources, management, small business development, basic business education, urban youth and community education.

As many as 35,000 American private citizens, mostly retirees, reside in the country, and an estimated 150,000 to 200,000 American citizens visit Costa Rica annually.

There have been some vexing issues in the U.S.-Costa Rican relationship, principal among them long-standing expropriation and other U.S. citizen investment disputes, which have hurt Costa Rica's investment climate and produced bilateral tensions. During the first two years of the Figueres government, significant progress has been made in resolving some expropriation cases. However, several important cases remain outstanding. Land invasions from organized squatter groups who target foreign landowners have also occurred, and some have turned violent. The U.S. Government has made clear to Costa Rica its concern that Costa Rican inattention to these issues has allowed U.S. citizens to be threatened and their land taken without timely compensation, and the Figueres government has promised to address the matter.

PRINCIPAL U.S. EMBASSY OFFICIALS

AMB: Peter Jon de Vos

DCM: Richard L. Baltimore III

POL: Mark Davison

ECON: Ben F. Fairfax

COM: Frank Foster
CON: Kathleen M. Daly
ADM: Arnold N. Munoz
RSO: Nace B. Crawford
PAO: Gary McElhiney
IPO: Howard R. Charles
ODR: Gayland Muse
AGR: Charles Bertsch
APHIS Region V: Eric Hoffman
APHIS Region VI: Mark Knez

The U.S. Embassy in Costa Rica is located in Pavas at Boulevard Pavas and Calle 120, San Jose.
Telephone: (220) 39 39.

PEOPLE AND HISTORY

Unlike many of their Central American neighbors, present-day Costa Ricans are largely of European rather than mestizo descent; Spain was the primary country of origin. Few of the native Indians survived European contact; the indigenous population today numbers about 29,000 or 1% of the population. Descendants of 19th-century Jamaican immigrant workers constitute an English-speaking minority and -- at 3% of the population -- number about 96,000.

In 1502, on his fourth and last voyage to the New World, Christopher Columbus made the first European landfall in the area. Settlement of Costa Rica began in 1522. For nearly three centuries, Spain administered the region as part of the Captaincy General of Guatemala under a military Governor. The Spanish optimistically called the country "Rich Coast." Finding little gold or other valuable minerals in Costa Rica, however, the Spanish turned to agriculture.

The small landowners' relative poverty, the lack of a large indigenous labor force, the population's ethnic and linguistic homogeneity, and Costa Rica's isolation from the Spanish colonial centers in Mexico and the Andes all contributed to the development of an autonomous and individualistic agrarian society. An egalitarian tradition also arose; this tradition survived the widened class distinctions brought on by the 19th century introduction of banana and coffee cultivation and consequent accumulations of wealth.

In 1821, Costa Rica joined other Central American provinces in a joint declaration of independence from Spain. Although the newly independent provinces formed a Federation, border disputes broke out among them, adding to the region's turbulent history and conditions. Costa Rica's northern Guanacaste Province was annexed from Nicaragua in one such regional dispute. In 1838, long after the Central American Federation ceased to function in practice, Costa Rica formally withdrew and proclaimed itself sovereign.

An era of peaceful democracy in Costa Rica began in 1899 with elections considered the first truly free and honest ones in the country's history. This began a trend continued until today with only two lapses: in 1917-19, Federico Tinoco ruled as a dictator, and, in 1948, Jose Figueres led an armed uprising in the wake of a disputed presidential election.

With more than 2,000 dead, the 44-day civil war resulting from this uprising was the bloodiest event in 20th-century Costa Rican history, but the victorious junta drafted a constitution guaranteeing free elections with universal suffrage and the abolition of the army. Figueres became a national hero, winning the first election under the new constitution in 1953. Since then, Costa Rica has held 10 presidential elections, the latest in 1994.

GOVERNMENT

Costa Rica is a democratic republic with a strong system of constitutional checks and balances.

Executive responsibilities are vested in a President, who is the country's center of power. There also are two Vice Presidents and a 19-member Cabinet (that includes one of the Vice Presidents). The President and 57 Legislative Assembly Deputies are elected for four-year terms. A constitutional amendment approved in 1969 limits Presidents and Deputies to one term, although a Deputy may run again for an Assembly seat after sitting out a term.

The electoral process is supervised by an independent Supreme Electoral Tribunal -- a commission of three principal Magistrates and six alternates selected by the Supreme Court of Justice. Judicial power is exercised by the Supreme Court of Justice, composed of 22 Magistrates selected for renewable eight-year terms by the Legislative Assembly, and subsidiary courts. A Constitutional Chamber of the Supreme Court, established in 1989, reviews the constitutionality of legislation and executive decrees and all habeas corpus warrants.

The country's seven provinces are headed by Governors appointed by the President, but they exercise little power. There are no provincial legislatures. Autonomous state agencies enjoy considerable operational independence; they include the nationalized commercial banks, the state insurance monopoly, and the social security agency. Costa Rica has no military and maintains only domestic police and security forces for internal security.

PRINCIPAL GOVERNMENT OFFICIALS

President: Jose Maria FIGUERES Olsen

Foreign Minister: Fernando NARANJO Villalobos

Ambassador to the United States: Sonia PICADO Sotela

Ambassador to the OAS: Fernando HERRERO

Ambassador to the UN: Fernando BERROCAL

Costa Rica maintains an Embassy in the United States at 2114 S. Street NW, Washington, DC 20008 (tel. 202-328-6628)

POLITICAL CONDITIONS

Costa Rica long has emphasized the development of democracy and respect for human rights. Until recently, the country's political system has contrasted sharply with many of its Central American and Caribbean neighbors; it has steadily developed and maintained democratic institutions and an orderly, constitutional scheme for government succession. Several factors have contributed to this tendency, including enlightened government leaders, comparative prosperity, flexible class lines and educational opportunities that have created a stable middle class, and high social indicators. Also, because Costa Rica has no armed forces, it has avoided the possibility of political intrusiveness by the military that some neighboring countries have experienced.

In the February 1994 elections, center-left National Liberation Party (PLN) candidate Jose Maria Figueres was elected President, succeeding Rafael Angel Calderon of the center-right Social Christian Unity Party (PUSC). Figueres, the son of former President Jose "Don Pepe" Figueres, defeated PUSC rival Miguel Angel Rodriguez in one of the closest elections in Costa Rican history. By winning 28 of 57 seats, the PLN regained a plurality in the legislature -- which in 1990 it had lost for the first time in more than 30 years. The PUSC won 25 seats, while minor parties took the remaining four.

Social Democratic in orientation, the PLN generally has been the dominant party in Costa Rica since 1948, when "Don Pepe" reestablished democracy and abolished the military in the wake of the short-lived but violent civil war. The PUSC is aligned with Christian Democratic and conservative parties in the Western Hemisphere and Europe. Costa Rican governments have tended to alternate between moderately conservative and moderately liberal as the PLN and various anti-PLN coalitions have traded control of the presidency, although in 1974 and 1986, PLN candidates succeeded PLN incumbents.

ECONOMY

Despite trying to remain neutral, Costa Rica was affected adversely by regional political turmoil in the late 1970s and the 1980's. Instability in neighboring Nicaragua and Panama discouraged new investment and tourism in Costa Rica. Many displaced Nicaraguans and Salvadorans sought refuge there, further burdening the country's educational and health facilities. An oil shock and debt crisis also made economic recovery difficult.

Following an economic crisis in the early 1980s, Costa Rica made significant progress toward macroeconomic stability, structural adjustment, and growth through increasingly diversified exports. Gross domestic product (GDP) growth has averaged 5% since 1987, non-traditional exports and tourism have increased rapidly and now account for almost 60% of foreign currency earnings, and official unemployment declined to 4% and inflation, to 10 percent in 1993. A debt-buyback program under the U.S. "Brady Plan" was completed in May 1990, enabling Costa Rica to repurchase 60% of its commercial bank debt and to stabilize its foreign debt servicing.

However, Costa Rica still faces macro-economic problems because of serious fiscal deficits exacerbated by pressures to increase government spending linked to the four-year cycle of presidential, legislative, and local elections. The deficit is compounded by a bloated public sector, unsustainable wage and pensions, increases, mushrooming internal debt, and the lack of effective competition due to remaining public sector monopolies. The fiscal deficit ballooned from 1% of GDP in 1993 to about 8% in 1994, but was cut to 3.8 % in 1995. 1996 should see further progress in cutting the deficit and inflation from over 22% to about 15%. The stabilization program slowed economic growth to 2.5% in 1995 and increased unemployment from 4.2 to 5.2% in 1995.

The Government of Costa Rica announced establishment of a high-level commission to resolve the problem of internal debt, which in 1996 rose to the equivalent of \$2.3 billion in local currency and required about one-third of the government's budget for servicing.

Programs of the International Monetary Fund, the World Bank, the Inter-American Development Bank, and the U.S. Agency for International Development (USAID) have aimed to maintain stability and promote trade and investment liberalization. Such programs have had success; USAID closed its bilateral Costa Rican mission in 1996 since Costa Rica achieved "advancing developing country" status. Further liberalization of Costa Rica's trade and investment regimes, resolution of the internal debt problem and passage of legislation expanding private sector investment in energy, telecommunications, roads, ports, and airports would boost opportunities for foreign and local investors and increase Costa Rica's prosperity.

Costa Rica has sought to widen its economic and diplomatic ties, including outside the region. In April 1994, Costa Rica signed a bilateral free trade agreement with Mexico. The United States and Costa Rica are negotiating a bilateral investment agreement to increase protection for foreign investment. Costa Rica has maintained connections with the European Union, along with the other Central American states, through periodic ministerial consultations. The country is a founding member of the World Trade Organization and has actively participated in the followup to the Summit of the Americas, including working groups to bring about the Free Trade Area of the Americas by the year 2005.

FOREIGN RELATIONS

Costa Rica is an active member of the international community and, in 1993, proclaimed its permanent neutrality. Its record on human rights and advocacy of peaceful settlement of disputes give it a weight in world affairs far beyond its size. The country lobbied strenuously for the establishment of the United Nations High Commissioner for Human Rights and became the first nation to recognize the jurisdiction of the Inter-American Human Rights Court, based in San Jose.

In 1987, then-President Oscar Arias authored a regional peace plan that served as the basis for the

Esquipulas Peace Agreement. Arias' efforts earned him the 1987 Nobel Peace Prize. Subsequent agreements, supported by the United States, led to the Nicaraguan election of 1990 and the end of civil war in Nicaragua. Costa Rica also hosted several rounds of negotiations between the Salvadoran Government and the Farabundo Marti National Liberation Front (FMLN), aiding El Salvador's efforts to emerge from civil war and culminating in that country's 1994 free and fair elections. Costa Rica has been a strong proponent of regional arms limitation agreements.

With the establishment of democratically elected governments in all Central American nations by the 1990s, Costa Rica turned its focus from regional conflicts to the pursuit of democratic and economic development on the isthmus. It was instrumental in drawing Panama into the Central American development process and participated in the multinational Partnership for Democracy and Development in Central America.

Regional political integration has not proven attractive to Costa Rica. Under former President Calderon, the country debated its role in the Central American integration process. Costa Rica has been a cautious partner -- looking for concrete economic ties with its Central American neighbors rather than political institutions -- and has not become a member of the Central American Parliament. Current President Figueres has promoted a higher profile for Costa Rica in regional and international fora. In 1995, Costa Rica gained election as President of the Group of 77 in the United Nations.

Costa Rica broke relations with Cuba in 1961 to protest Cuban support of leftist subversion in Central America and has not renewed formal diplomatic ties with the Castro regime. In 1995, Costa Rica established a migration office in Havana.

Costa Rica strongly backed efforts by the United States to implement United Nations Security Council Resolution 940, designed to facilitate the departure of Haiti's de facto authorities from power. The country agreed to contribute civilian medical personnel to the Multinational Force, which restored the democratically elected Government of Haiti in October 1994.
(###)



[Return to DOSFAN Home Page](#)

This is an official U.S. Government source for information on the WWW. Inclusion of non-U.S. Government links does not imply endorsement of contents.

Peter Jon de Vos
U.S. Ambassador to Costa Rica

Peter Jon de Vos became U.S. Ambassador to Costa Rica in October 1994. Prior to his appointment, he served as Ambassador to Tanzania (1992–94).

A career Foreign Service Officer, Mr. de Vos has served four Presidents as their official envoy: President Bush as Special Envoy to Somalia (1992); to war-torn Liberia, 1990–92; President Reagan appointed him as U.S. Ambassador to Mozambique (1983–87) and as President Carter's Ambassador to Guinea-Bissau and Cape Verde, 1980–83.

Ambassador de Vos was Principal Deputy Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs (1989–90) and Deputy Assistant Secretary for Science and Technology (1987–89). Among his responsibilities were supervising U.S. activities in Antarctica and developing U.S. policies on environment.

His first Foreign Service assignment (1962–64) was as Vice Consul in Recife, Brazil and then as Brazil desk officer (1964–66). He had a tour of duty in Naples, Italy (1966–68). He became Deputy Principal Officer in Luanda, Angola (1968–70). Mr. de Vos was assigned to Sao Paulo, Brazil (1970–71) and then to Brasilia (1971–73). He served as Special Assistant in the Bureau of Inter-American Affairs (1973–75) and at the Embassy in Athens, Greece (1975–79). He attended the National War College (1978–79) and later became Deputy Director for the Office of Southern African Affairs (1979–80).

Mr. de Vos was born in San Diego, California in December 1938. He earned a B.A. from Princeton University, Woodrow Wilson School of Public and International Affairs, in 1960, and an M.A. from Johns Hopkins University, School of Advanced International Studies (SAIS), in 1962. His foreign languages are Portuguese, Spanish, Italian, and Greek. He is married to the former Nancy Lee Wesley.

Key U.S. Officials in San Jose

Deputy Chief of Mission

Richard L. Baltimore III

Political Officer

Mark Davison

Administrative Officer

Arnald N. Munoz

Economic Officer

Ben F. Fairfax

Commercial Officer

Frank Foster

Consular Officer

Kathleen M. Daly

Regional Security Officer

Nace B. Crawford

Public Affairs Officer

Gary McElhiney

LEVEL 1 - 22 OF 90 STORIES

Copyright 1997 Times Mirror Company
Los Angeles Times

April 27, 1997, Sunday, Home Edition

SECTION: Opinion; Part M; Page 2; Opinion Desk

LENGTH: 1026 words

HEADLINE: THE WORLD;
LATIN AMERICA;
EXPAND FREE TRADE TO ALL WESTERN HEMISPHERE

BYLINE: Henry A. Kissinger, Former Secretary of State Henry A. Kissinger
frequently writes for, The Times

DATELINE: NEW YORK

BODY:

In a farsighted speech to the presidents of the Western Hemisphere in December 1994, President Bill Clinton proposed that the nations assembled at the summit merge their dedication to human dignity and economic progress into a Western Hemisphere free-trade area by the year 2005. Unfortunately, the president's initiative has languished.

A contributing factor has been the executive branch's lack of fast-track authority to pursue either the expansion of the North American Free Trade Agreement with Canada and Mexico (NAFTA) or trade negotiations with other regional groups. One of these is **Mercosur**, a trading bloc composed of Brazil, Argentina, Paraguay and Uruguay. A South American free-trade zone is clearly emerging under the leadership of Brazil. Chile, tired of waiting for long-promised access to NAFTA, has become an associate member of **Mercosur**, as has Bolivia. Venezuela and Peru have expressed strong interest.

The U.S. response has been to complain about alleged discrimination from **Mercosur**. But this querulousness misinterprets the challenge.

The essence of any regional grouping, including **Mercosur**--or NAFTA, for that matter--is that its external barriers, however low, are greater than its internal ones, and that the concerns of member states have greater weight than those of countries not in the system. In this sense, there is an element of truth to U.S. complaints. But it is also a case of sour grapes. **Mercosur's** growing impact is, above all, a reflection of America's retreat from its own initiatives.

The danger of continued drift is that Latin America's attempts to transcend the nation-state will evolve to their own rhythm without reference to a larger hemispheric structure. As a result, the United States runs the risk of becoming spectators to historic changes in what it has always considered "its" hemisphere, and so reducing U.S. access to a market of 400 million people.



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group

Los Angeles Times, April 27, 1997

But the ultimate blow would be less to the U.S. economy than to American hopes for a world order based on a growing community of democracies in the Americas and Europe.

A measure of progress would be the expansion of NAFTA. This would require fast-track authority, which lapsed in 1994. The president has reiterated his request for such authority and, hopefully, he will fight to break the standoff between his administration and Congress over whether to link labor and environment to trade negotiations. Clinton's visit to Latin America, scheduled for later this year, will enable him to avoid the looming confrontation with Latin America by defining **Mercosur** and NAFTA as complementary rather than competitive.

My recent visit to Brazil, the largest economy of Latin America and the driving force behind **Mercosur**, reinforced this conviction. Brazil has reduced its hyperinflation to less than 10% a year. State-owned enterprises are being systematically privatized. Trade barriers are being gradually reduced. Foreign investment is encouraged and is flowing. Economic growth is increasingly left up to market forces, not the government.

All this has been achieved while providing positive solutions to dilemmas that have troubled other Latin American countries: whether economic reform and political reform are mutually antithetical. Under the leadership of President Fernando Henrique Cardoso, Brazil is successfully managing both political and economic reform. The administrative reforms wending their way through the Brazilian congress are a good example of the combination of democracy and social change likely to metamorphose Brazil into one of the major economic and political players of the 20th century.

To be sure, Brazil's reform is still in midstream. The country is learning that while market forces stimulate economic growth, they do not automatically translate into an improved quality of life or greater social equality. The restructuring accompanying privatization and exposure to international competition have, at least temporarily, turned endemic unemployment into as much of a challenge for Brazil as it is for the industrialized nations of Western Europe.

As Brazil overcomes its modernization problems, **Mercosur** is being built by Brazil's highly professional foreign service into an increasingly cohesive institution. The United States cannot afford to be a bystander. Unfortunately, in the absence of fast-track authority, U.S. policy has lapsed into the technicalities of trade disputes geared to special interests, thereby undermining the broad view.

Displays of U.S. irritation will not erase this reality. It is far better to return to the principles of the summit and give content to the goal of creating a Western Hemisphere free-trade zone by 2005. This will require elevating the discussion above the technical biases of professional trade negotiators. In the current framework, U.S. negotiators are giving priority to tariff reductions; the Latin Americans, especially Brazil, insist on priority for eliminating nontariff barriers.

To the Latin Americans, the U.S. attitude threatens **Mercosur's** existence; to

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

Los Angeles Times, April 27, 1997

Washington, the Latin reaction is an attempt to institutionalize discrimination. Both sides have a point. Yet, it surely cannot be beyond the wit of the leaders of this hemisphere to organize simultaneous negotiations on both sets of issues. Labor and the environment, important as they are, are best treated in forums other than trade negotiations.

The challenge to U.S. policy is to deal with **Mercosur** as a vital component of an overall Western Hemisphere structure embracing NAFTA. To build a stronger sense of community for the entire Western Hemisphere, attention should be paid as well to such issues as education, drugs, crime and the environment.

At their planned meeting in October, the presidents of Brazil and the United States can give a strong boost to developing such an overarching approach. In no area of foreign policy has Clinton been as creative as with respect to the Western Hemisphere; and Cardoso, a philosopher before he was a statesman, is an ideal partner in lifting U.S. sights to the fulfillment of the historic promise of the Americas.

LANGUAGE: English

LOAD-DATE: April 27, 1997



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 35 OF 90 STORIES

Copyright 1997 The Christian Science Publishing Society
The Christian Science Monitor

April 11, 1997, Friday

SECTION: INTERNATIONAL; Pg. 10

LENGTH: 2029 words

HEADLINE: S. America's 'Sleeping Giant' Opens One Eye to the World

BYLINE: Howard LaFranchi, Staff writer of The Christian Science Monitor

DATELINE: SO PAULO, BRAZIL

HIGHLIGHT:

Brazil moved past dictators, debt, inflation. Now it seeks a role due its size.

BODY:

In the streets of Sao Paulo and Rio de Janeiro, walls, shop windows, and billboards are blanketed with ads urging Brazilians to learn a second language, especially Spanish, besides their native Portuguese.

"This is completely new," says Sao Paulo political analyst Bolivar Lamounier. "Just three years ago this didn't exist."

The advertisements are also indicative of something else "new" here: the opening of Brazil - long a self-focused giant satisfied with ignoring those around it - to the rest of South America and the world.

"We still are very inward-looking," says Luiz Augusto de Castro Neves, director general of the Americas department of the Ministry of Foreign Relations in Brasilia, the capital. "It's somewhat similar to the outlook of the average US citizen in, say, Kansas. But whereas for a very long time we were busy turning our backs to the rest of South America," he adds, "now we are discovering our neighbors."

When President Clinton visits Brazil during a swing through Latin America this fall, he'll find a different country from the one he likely learned about in college.

Just two decades ago, Brazil, with its vast territory - it's larger than mainland United States - untapped resources, and burgeoning population, was pegged as a sleeping giant. The giant was stirring, observers said: It was toying with a secret nuclear-arms development program and fomenting a potentially destabilizing rivalry with southern neighbor Argentina.

Brazilians now generally chuckle at those outmoded concerns. "That image of the giant to come was partly the military's creation in reaction to Argentina. But it was also something nurtured from abroad, by people in the US or Europe especially, who were suddenly taken with the idea of Brazil, Indonesia, and a few other countries as 'emerging powers,' " says Mr. Lamounier.



LEXIS·NEXISTM
A member of the Reed Elsevier plc group



LEXIS·NEXISTM
A member of the Reed Elsevier plc group



LEXIS·NEXISTM
A member of the Reed Elsevier plc group

Today's reality is a country with more than 160 million people and the world's ninth-largest economy, one that is opening to economic globalization. The 1964-85 military dictatorship has given way to a strengthening multiparty democracy. Issues such as the nuclear-arms program and human rights abuses - which once led to prickly international relations, especially with the US - have either disappeared or improved.

Human rights

The US State Department no longer places Brazil among the hemisphere's most serious human rights offenders, although its annual human rights report still listed killings and torture by law-enforcement agencies as serious problems in 1996. In February, for example, five street children in Rio were murdered. Juvenile protection officials believe such killings are carried out by "social cleansing" death squads.

As a country looking increasingly outward, Brazil is determined to play a growing leadership role, especially in South America.

"Brazil is moving toward a mature, middle-power status, and wants to be treated as such," says David Fleischer, a University of Brasilia political scientist. President Fernando Henrique Cardoso's substantial foreign travels are evidence of the country's determination to play a growing international role, analysts say. The Brazilian government says that Brazil and other large developing countries must exert more influence in setting an international agenda.

"This is not a power deal," says Lamounier. "It is simply the conviction that a new world is emerging, one that will not be stable if the world focus remains so fixed on the US, China, and Russia." Social inequalities, drug trafficking, and the environment are among the global problems that Lamounier says will go unattended without the kind of shift in international focus Brazil advocates. Part of Brazil's task, he adds, will be to correct the prejudice, "strong enough in the US, but even more so in Europe, that this is a place that only destroys the rain forest and kills its Indians and street kids."

Those "prejudices" will only be more difficult to vanquish after news last year that deforestation in the Amazon has actually accelerated in recent years.

Also last month, widely released video footage showed police at a road block in Sao Paulo extorting money from and beating up motorists. The beatings were so severe that one man allegedly died as a result. A similar tape was recently released in Rio. These abuses by law-enforcement agencies, Sao Paulo Gov. Mario Covas acknowledges, are a continuing "cultural problem" - a legacy from the military dictatorship.

'Economic democracy'

With such news continuing to flow out of Brazil, changing the world's perception will take more than just presidential visits and speeches. It will require a serious and sustained effort to reduce the chasm between Brazil's few super-rich and its many poor. Mr. Cardoso's inflation-fighting reforms have cut the "inflation tax" of the 1980s, in effect putting more money in workers' pockets.



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

But the gains haven't been enough to impede Brazil's designation by the World Bank as the country with the world's worst income distribution.

As part of any drive for what some analysts call "economic democracy," Brazil must also cut its heavy bureaucracy, which limits the poor's access to the market, and the creation of small businesses that would foster a better balanced economy. "If you have a good business idea here but are poor, there are still enormous roadblocks and red tape, and that hurts both the poor and Brazil," says Alexandre Barros, a political consultant in Brasilia.

Trade bloc - or block?

As its entryway to a larger leadership role, Brazil has set its sights on **Mercosur**, the trade group it began building in 1990 with Argentina, Paraguay, and Uruguay. **Mercosur** has spurred overall trade beyond even its members' expectations. Its success has led to rapidly expanded relations with neighboring countries, including Chile.

But along with its rise, **Mercosur** has won growing criticism. Detractors range from economists, who cite it as an example of how regional accords can inhibit broader international trade, to US officials, who see **Mercosur** as an impediment to a hemispheric free-trade accord.

Brazilian analysts say such criticisms fail to recognize the significant role **Mercosur** has played in completely squashing a regional military rivalry that a decade ago still threatened the South American continent. "The US, and for that matter a number of international organizations, don't appreciate enough the job **Mercosur** has played in transforming to a cooperative relationship a rivalry that, if it had escalated, could have caused big problems in America's backyard," says Lamounier.

But at the same time, Brazilian officials tacitly recognize that their vision of South America's development does not line up perfectly with US goals for the region. "All of us used to talk about Latin America, as if the Rio Grande were the 'Great Divide,' but now it is more realistic to speak in terms of North America and South America," says Mr. Castro Neves.

With Brazilian leadership, South America is likely to move more slowly than the US would like toward a full hemispheric free-trade accord. And it will likely do so from the stronger bargaining position of a South American trade bloc, rather than as individual countries. "Brazil is opposed to achieving [the hemispheric accord] simply by expanding NAFTA," says Castro Neves.

Dreaming of Mickey

Brazilians do, however, identify with the US. They see their country playing in South America the same dominant role the US plays in North America. And they also identify with the US as a "melting pot," since Brazil also is home to large immigrant populations. The Japanese restaurants around Sao Paulo are one hint that Brazil has the largest Japanese population outside Japan.

Globalization and emigration have also brought Brazil closer to the US. With the economic devastation of the 1980s, Brazil for the first time became a country of migrants. There are now large colonies of Brazilians in Miami, New Jersey, New



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

York, and Boston. Reflecting the importance of that diaspora and greater tendency of even the Brazilian middle class to travel, some Brazilian magazines publish regular columns on news from the US.

"All Brazilian kids dream of visiting Disney World, and all Brazilian women dream of a shopping spree in Bloomingdale's," says Castro Neves. He tells the popular joke about a Brazilian who requests that some day his ashes be spread in Bloomingdale's: "That way," the man says, "I can be sure my wife will come to visit me."

Castro Neves insists that, despite signs of friction, there is "a growing perception in both Brazil and the US that our strategic interests are the same. This is new and important." Mr. Clinton's trip here is just one manifestation of that perception, he says.

Sense of national purpose

Yet even if a closer partnership with Argentina and a periodic whirl with Mickey Mouse are part of Brazil's future, that's not the stuff that keeps a developing country moving forward. To rebuild a sense of national purpose, some Brazilians argue that they need to adopt a national project.

"We still need to find ourselves" after the military dictatorship and the economically "lost decade" of the 1980s, says Claudio Contador, a political scientist in Rio. "We Brazilians need a defining undertaking."

Mr. Contador equates the Brazil of 1997 to the US of about a century ago. Brazil is still developing a frontier, and its industrial oligarchy is similar to that of the US 100 years ago. Ending income disparity, while vital, will take decades, he says. He contends that Brazil needs a more immediate challenge to instill a sense of national purpose. It is up to Brazil's political leaders and increasingly activist citizens to define that goal, he says. Past experience, he adds, demonstrates that Brazil is capable of meeting the challenge. "Building Brasilia [which was carved out of the interior in 1960] was that kind of a goal," he says, "and so was the predicament the country faced in 1973 at the first oil crisis."

Brazil then imported more than 90 percent of its oil. But after an aggressive sugar-alcohol development program and other energy developments, imported oil now makes up less than 30 percent of Brazil's energy needs. Says Contador, "Brazilians need to see that they are still up to that kind of challenge."

What Makes Brazil a Giant?

* Brazil is the world's fifth-largest country - with 3.3 million square miles. It's larger than the US excluding Alaska.

* Brazil is the sixth most-populous country, with 76 percent of its 162.6 million people living in cities. Half of all Brazilians are under 21.

* Surveys regularly show that Brazilians fear the police more than criminals. In Sao Paulo State, police killed 2,544 civilians in 1991-92. In 1991, 898 people were killed in the city of Sao Paulo, compared with 27 killings by police the same year in New York.



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

* Brazil is home to the world's largest river system and the most extensive virgin tropical forest in the world. The Amazon region has 1.3 million square miles of forest.

* For many Brazilians, Carnival is everything. Rio de Janeiro's people train for a lifetime to join Carnival parade groups, called samba schools. A costume can cost \$ 10,000 and up - more than most wearers earn in a year.

* More than 400 species of birds live in Brazil's Atlantic rain forest - equal to all the bird species in Europe. One two-acre section was recently found to contain more than 400 tree species. A similar plot of North American forest typically holds two to 20 tree species.

* About 70 percent of Brazilians are Roman Catholic, making it the largest Catholic country in the world.

* Some 39 percent of Brazilians reach secondary school, while 19 percent of those over age 15 can't read.

* In 1996, average gross domestic product per capita was \$ 5,580.

GRAPHIC: PHOTOS: 1) SPRAWLING POVERTY: Rio's Favela Rochina is the largest contiguous slum in South America. The World Bank cites Brazil as having the world's largest gap between rich and poor. 2) BACK TO SCHOOL?: A new billboard selling English-language courses goes up in Manaus - a sign of Brazil's new outward-focus. 3) Poverty keeps many young people, such as this fruit seller, at work rather than at school. 4) FELLING THE FUTURE: An illegally cut tree near Manaus is an example of how deforestation in the Amazon has increased. PHOTOS BY ROBERT HARBISON - STAFF. 5) DANCE TILL YOU DROP: A samba school member parades in Rio de Janeiro's Sambodrome Feb. 8 during Carnival. SERGIO MORAES/REUTERS. MAP: Showing Brazil - STAFF

LANGUAGE: ENGLISH

LOAD-DATE: April 10, 1997



LEXIS·NEXIS®
A member of the Reed Elsevier plc group



LEXIS·NEXIS®
A member of the Reed Elsevier plc group



LEXIS·NEXIS®
A member of the Reed Elsevier plc group

LEVEL 1 - 40 OF 90 STORIES

Copyright 1997 Journal of Commerce, Inc.
Journal of Commerce

April 7, 1997, Monday

SECTION: EDITORIAL/OPINION; Pg. 7A

LENGTH: 858 words

HEADLINE: The inherent vices of **Mercosur**

BYLINE: BY JORGE A. VILCHES

DATELINE: BUENOS AIRES

BODY:

The Brazilian government, taking advantage of the Easter lull, sprung on its **Mercosur** partners the latest of the gimmicks it calls structural reforms: It announced import finance restrictions requiring, among other things, that all imports must be paid for in cash, on the spot.

Traders in Argentina, Paraguay and Uruguay, Brazil's partners in **Mercosur**, learned through the newspapers that, while their goods may still enter Brazil, their long-term letters of credit were henceforth useless.

This is as unwelcome a development as it is untimely, considering that the restrictions come less than a month before the scheduled summit of the Americas. U.S. Undersecretary of Commerce Bill Spitzer pointed this out when he said the Brazilian decision "'surely doesn't help Brazil-U.S. relations'" at the time the Free Trade Area of the Americas is to be discussed.

The reaction within **Mercosur** was one of weariness. The Southern Cone countries are simply getting fed up with the stuff Brazil has been pulling out of its bottomless bag of tricks that it calls structural reforms and which it uses to disguise its growing economic problems.

First, it was the hidden subsidies that Brazil has been paying to promote sector investment. Then came a whole ream of non-tariff barriers to trade and the endless crawling peg devaluations of the real to make Brazilian exports more competitive. Many in Argentina are left wondering whether Brazil isn't on the brink of a major devaluation, suffering from its own version of the "'tequila crisis.'" All this gives ample justification to the recent (unpublished) report by World Bank economists, which criticized **Mercosur** for its trade-restrictive practices. It also adds weight to U.S. Trade Representative Charlene Barshefsky's recent testimony in the Senate about the intrinsic evils of **Mercosur**.

As a matter of fact, many people here inside **Mercosur** feel that, without a fully developed industrial country in its midst, **Mercosur** amounts to little more than a fuzzy deal aimed at boosting trade in expensive and obsolete products among the member countries while taxing the rest of the world _ including members of the North American Free Trade Agreement _ with a 15 percent to 20



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

percent external tariff.

That tariff extends to everything the **Mercosur** countries need most to modernize and develop, including telecommunications, computer technology and other capital goods.

One redeeming feature of the latest Brazilian outrage is that it may give the World Trade Organization a genuine cause to go after Brazil. The country's latest restrictions on imports may constitute a major infringement of the Uruguay Round trade liberalization agreements.

Brazil may have no other choice than to resort to its short-term "solutions" to address the monetary and fiscal problems that it has accumulated over the years.

But, at the same time, Brazil is trying to solve its mounting trade deficit problems at the expense of its **Mercosur** partners. It is thus endangering the development of the neighboring countries and putting its own interests ahead of everyone else's.

It also raises the question of whether, in an age of high-tech communications and cyberspace technology, neighboring countries must work hand in hand in order to enhance their economic development. That certainly was true when extensive territories, abundant natural resources and cheap unskilled labor were essential for development.

Those who claim geographic proximity is still important, and use the European Union as an example, are forgetting that the EU has at its core a very special group of countries _ including economic engines such as Germany and France. This group was also formed on the basis of the Marshall Plan of generous economic aid, rather than on the Brady Plan of debt restructuring.

So, the economic success of Europe is not the result of geographical proximity. Just look at Turkey, Egypt, Greece and Albania. It would be well-nigh impossible for them to grow together into a well-developed whole, no matter how geographically close they are to each other.

And so it is with **Mercosur**. The result of its integration effort may be that the member countries will only be able to produce low value-added goods and sell them to each other, while the continuing inflow of external capital plunges them into ever-deeper foreign indebtedness.

Despite their 10-year effort, Brazil, Argentina, Paraguay and Uruguay still haven't been able to specialize their economies. The trade among these countries is similar in composition to what they export to the rest of the world. The **Mercosur** architecture has simply failed to enhance the member countries' comparative advantages and prepare them for growth in the 21st century.

Mercosur is developing along as-yet unidentified lines in the vain hope that it can stand on its own and negotiate with the Nafta countries from a position of strength.

For Brazil, **Mercosur** isn't just a trade agreement or an economic treaty. It is a blueprint for its geo-political expansion, a plan designed to expand



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

Brazil's influence throughout Latin America.

GRAPHIC: Graphic - Jorge A. Vilches is an Argentine businessman and a columnist for El Cronista, an Argentine financial newspaper.;

Caricature: President Fernando H. Cardoso of Brazil.

LANGUAGE: ENGLISH

LOAD-DATE: April 9, 1997



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

LEVEL 1 - 47 OF 90 STORIES

Copyright 1997 The Financial Times Limited
Financial Times

March 14, 1997, Friday SURVEYS L

SECTION: SURVEY - LATIN AMERICAN FINANCE 97; Pg. 08

LENGTH: 853 words

HEADLINE: CHILE
Exports forge ahead

BODY:

* by Imogen Mark

Exports forge ahead

Chile opts for Latin link to exploit growing trade with near neighbours

Last year Chile opted formally for its Latin identity and for its neighbours. For a while at least, it has shelved its long-cherished hopes of being the next nation into Nafta, the North American free trade agreement, and negotiated associate membership in **Mercosur**, the customs union, with Argentina, Brazil, Uruguay and Paraguay.

Chile's trade within the region has been growing steadily since the beginning of the decade, as the other economies have begun to stabilise and open up. Exports to its nine main Latin American partners were worth \$ 3bn last year, up more than 50 per cent since 1990, and representing 17.5 per cent of all exports. Argentina and Brazil each account for about 5 per cent. Latin American markets are important for manufactured goods, and increasingly for luxury items like fresh fruit, salmon and wine.

But more striking than its exports of tangibles is the steady export of Chilean capital into the region. Last year Chilean companies announced acquisitions and investment plans for an estimated \$ 3bn in six countries in the region, bringing the overall total for outside investments to an estimated \$ 10bn, equivalent to a solid 15 per cent of Chile's gross domestic product. As a result for one company, Enersis, the biggest utility-based holding, its Argentine investments contributed 30 per cent of net profits last year. Not surprisingly, Chile is pushing to include services in the next phase of **Mercosur** negotiations, later this year.

The biggest outside investors are the private utilities, but behind them are banks and private pension funds, supermarket chains and forestry companies. What is driving their expansion into the region is the limited scope for growth in Chile's own domestic market, a modest 14.5 million people with an average \$ 4,800 a head income.

It is not that the domestic economy is doing badly. On the contrary it managed a growth rate of 7.1 per cent last year, the highest in the region, and the 12th year running of continuous growth at an average 7 per cent a year. The



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

central bank, an autonomous body, and the government came within a point of their inflation target - 6.6 per cent last year - and have set themselves a harder goal, 5.5 per cent for 1997. The government of president Eduardo Frei wants to bring inflation down to a range of 3-5 per cent by the time its six-year term ends, in March 2000.

The central bank and the finance ministry do not always see eye to eye on the means of achieving the target. The Central Bank regularly urges the government to curb fiscal spending with a tighter fiscal budget. The finance ministry argues that it regularly turns in a steady 4-5 per cent fiscal surplus. General government spending accounted for an estimated 20.6 per cent of GDP last year, according to figures from SBC Warburg, the investment bank.

But the same study shows a steady decline in expenditure, from 26 per cent at the beginning of the decade, when democratic government was restored, and with only modest increases in election years.

This year, for example, with congressional elections in December, government spending is set to rise to 20.8 per cent of GDP.

For the past year, however, the central bank has been applying a squeeze on credit, with its benchmark eight-year paper at rates above 6 per cent in real terms, and the short-term, 90-day paper averaging 7.25 per cent. The trend was downwards towards the end of the year, as the market anticipated a relaxation. But Mr Carlos Massad, the central bank president, has made it clear he will allow rates to fall only gradually during 1997.

The other aspect of the economy which falls within the central bank's brief is the management of the exchange rate. Last year the high domestic interest rates attracted substantial inflows of foreign capital, pushing up the value of the peso against the dollar despite foreign exchange controls which are meant to check this. In October the Central Bank adjusted the rules on foreign investment to try to close one loophole.

The central bank and the government are both happy to see Chilean capital being shipped out of the domestic economy. Mr Massad wants to encourage more cross-border bank lending, as a way of balancing the inflow of foreign capital. This is the only long-term means, he says, to reduce the pressure on the balance of payments and eventually reduce the current capital controls.

The capital account helped last year to finance a \$ 1.2bn trade deficit, the result of worsening terms of trade. Exports were down to \$ 15.3bn, from \$ 16bn in 1995, while imports continued to grow strongly, to \$ 16.5bn (\$ 14.7bn). This year is expected to bring a similar deficit, as the price for copper, 40 per cent of export earnings last year, is expected to stay around the same level of \$ 1.04 a pound. Output has been rising, up by 20 per cent last year to 3.1m tonnes and a projected 13 per cent more in 1997, as a result of steadily increasing private investment in the sector.

LANGUAGE: ENGLISH

LOAD-DATE: March 14, 1997



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

LEVEL 1 - 50 OF 90 STORIES

Copyright 1997 The Christian Science Publishing Society
The Christian Science Monitor

March 7, 1997, Friday

SECTION: INTERNATIONAL; Pg. 6

LENGTH: 893 words

HEADLINE: Cars vs. Juice: US and Brazil Find Talk Easier Than Trade

BYLINE: Howard LaFranchi, Staff writer of The Christian Science Monitor

DATELINE: SAO PAULO

BODY:

Brazil wants to sell more shoes and orange juice to the United States while protecting its auto industry. The US wants to sell more autos and auto parts to Brazil, while keeping Brazilian competition to domestic orange growers and shoe manufacturers at bay.

The US, enjoying a healthy trade surplus with Brazil and anticipating an expanding Latin trade market, wants to keep the road to a hemispheric free-trade zone clear of potentially troublesome regional trade blocs.

Brazil sees things differently: It looks to **Mercosur**, the fast-rising customs union it has developed with neighboring countries, as a negotiating force strong enough to gradually construct a free-trade zone with the US - without giving away the store.

Therein lies the crux of the trade battle that has been brewing for several years between Brazil and the US. The pot threatens to boil over just as the White House paints a bright picture of President Clinton's renewed commitment to hemispheric relations as he prepares his first tour through the region this spring.

The public airing of longstanding frictions that pit the hemisphere's economic giant against South America's economic heavyweight has reached the US Congress and international gatherings and risen to the top of Brazilian editorial pages.

US Trade Representative-designate Charlene Barshefsky told the US lawmakers last month that **Mercosur** is an example of the kind of trade bloc that will complicate progress toward a hemispheric free-trade zone by 2005. If the US doesn't act quickly to bring other countries such as Chile into NAFTA and keep up momentum for hemispheric free trade, she warned, proliferating sub-regional agreements will strengthen and potentially derail the 2005 goal.

At the same time Ms. Barshefsky was making her declarations before Congress, a volley of shots erupted between the US and Brazil. Brazil's Foreign Minister Luis Felipe Lampreia blamed his country's \$ 3 billion trade deficit with the US last year on US duties on such products as orange juice, steel, shoes, and textiles, while the US Ambassador to Brazil Melvyn Levitsky countered that other

LEXIS·NEXISTM

A member of the Reed Elsevier plc group

LEXIS·NEXISTM

A member of the Reed Elsevier plc group

LEXIS·NEXISTM

A member of the Reed Elsevier plc group

countries such as China have no problem selling shoes in the US. Brazil's problem, he said, is its high costs and lack of competitiveness, which make it weak in the international battle to succeed in the US market.

Brazilian officials express a mix of satisfaction and frustration over relations between their country and the US. The satisfaction comes for some from seeing that policies they consider justified for Brazil's and South America's long-term economic good unsettle the northern economic giant. The frustration arises for those who believe the US should welcome Latin America's economic opening and democratization with an enlightened policy encouraging the region's economic growth.

"The criticisms we hear of **Mercosur** are nonsense, and for very good reasons," says Renato Marques, director general for Latin American integration in Brazil's foreign ministry. "**Mercosur** has generated significant growth not just in internal [intra-**Mercosur**] trade, but also in trade with third countries." In addition, **Mercosur** countries can negotiate their own trade policies with other countries, he says, disproving the idea of the "bloc" that inhibits third-country trade.

If the US were really interested in encouraging economic growth in the hemisphere, Mr. Marques says, it would allow production relying on second-tier technology - such as shoemaking and orange juice production - to shift outside the US, while focusing high-tech production at home.

The same holds true for Europe, he adds, which is interested in markets for its industrial products, including automobiles, while looking to protect its farmers from Brazil's beef and chicken, coffee and sugar. Brazil has come under strong attack from both the US and the European Union for its system of car-import quotas. Last month, Brazil hosted hemispheric talks on steps for creating a free-trade zone stretching from Ontario to Tierra del Fuego. Brazil used those talks to air its preference for a South American trade group strong enough to negotiate with the US-led NAFTA.

Other officials say the US is going to have to accept that, while Brazil remains committed to the goal of hemispheric free trade, their plan may differ from the US route. "**Mercosur** was the way we found to increase our international competitiveness, but even though we know some perceive that as opposition to the US, that is not true," says Luiz Augusto de Castro Neves, director general for the Americas in the the Foreign Ministry. "But we strongly believe that within the process of implementing a hemispheric free-trade zone some countries may have to move at different paces, and sometimes taking different routes."

Even private business leaders like Mario Bernardini who has spent years railing against the high cost of doing business in Brazil, say acquiescing to US pressure now would be suicidal.

"It would be like putting Mike Tyson in a ring with a common citizen and saying, 'You're equal, compete,'" says Mr. Bernardini, president of Sao Paulo's MGM, a large construction machinery company. "It's not hard to guess who would soon be laid out flat."



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

LANGUAGE: ENGLISH

LOAD-DATE: March 06, 1997



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 75 OF 90 STORIES

Copyright 1997 The Financial Times Limited
Financial Times

February 4, 1997, Tuesday SURVEYS M

SECTION: SURVEY - MERCOSUR; Pg. 01

LENGTH: 1332 words

HEADLINE: Trade pact sets the pace for integration:
The Common Market of the South has already come a long way, but now co-ordinated policies are needed. Without them, further progress may prove more difficult. Stephen Fidler reports:

BODY:

Mercosur - Mercosul in Portuguese - is an acronym for the Common Market of the South, created under the Treaty of Asuncion by the governments of Argentina, Brazil, Paraguay and Uruguay.

Despite its name, it is still a long way from being a common market, because free movement of labour remains a distant and difficult prospect. But it has come a long way. Most trade within **Mercosur** is already tariff-free, although free trade in all products will not be realised until 2000. By then, agreements on cars and sugar should have been concluded.

A common external tariff has also been adopted on most products. But the group will not become a full customs union until 2006. Then Paraguay and Uruguay should adopt for all products the common external tariff, which ranges from zero to 20 per cent, five years after the target date for Brazil and Argentina to do the same.

Mercosur has also widened. Chile acceded in October as an associate member, meaning it will become part of the group's free trade zone without adopting the common external tariff. Bolivia, a member of the Andean Pact trade area, negotiated a similar association in December.

Negotiations for a free trade association with other members of the Andean group - Colombia, Ecuador, Peru and Venezuela - could start this year. Talks with Mexico may follow soon after.

The group is also in talks - going slowly - to establish a trade area with the European Union.

Since its members started reducing tariffs on one another's products in 1991, trade within **Mercosur** has grown rapidly - at an average 27 per cent a year from 1990 to 1995, at a time when members' trade with the rest of the world expanded an annual 7.5 per cent. One fifth of the four countries' foreign trade is now conducted with the other three **Mercosur** members, compared with 9 per cent in 1990.

Trade between Brazil and Argentina has quadrupled since 1990 to more than \$ 15bn last year and is forecast to double again in the next six years.



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group



LEXIS·NEXIS™

A member of the Reed Elsevier plc group

Some critics have seen this growth as a sign that the group may be a stumbling block to free trade, rather than a building block. Mr Alexander Yeats, principal economist of the World Bank's International Trade Division, argued in a paper that emerged in October that intra-Mercosur exports were "growing most rapidly for products where there is no evidence that Mercosur has any natural comparative advantage."

Supporters retorted that the growth of intra-Mercosur trade reflected rapid growth in the region's imports from all sources since the economies were opened at the turn of the decade.

Even supporters agree, however, that there are important imperfections in Mercosur from a free trade standpoint, not least in a protectionist vehicle regime.

Mercosur has, however, an importance beyond trade. Export growth to Brazil has already, say some economists, helped Argentina survive a severe test of its anti-inflation programme in the aftermath of the Mexican financial crisis in 1995.

Moreover, pressure from other Mercosur governments was critical in thwarting an attempted military coup last year in Paraguay.

Nonetheless, as Mercosur has progressed, the difficulties of integration have become more apparent.

The region's infrastructure is ill-equipped to deal with the growth of trade that has already taken place. But such difficulties for exporters are compounded by avoidable practical obstacles.

According to road hauliers, it can take three days to accomplish the main border crossing between Brazil and Argentina at Uruguiana. Most of the problems are down to obstructive officials.

"At the moment it is chaos. It is a question of mentality. We have told this to the authorities," said Mr Remigio Vitores, owner of Vitores Transportes of Chile which has a 100-strong fleet of heavy trucks. Mr Raul Medina of Transportes San Carlos of Argentina added: "Ultimately, we would like to see one combined post at the borders, not one for each country."

Another border problem is that goods imported from outside Mercosur often attract tariffs twice - both at their port of entry and then again when they cross the border.

More fundamentally perhaps, integration has reached the stage where a range of co-ordinated policies is now widely seen as necessary. These include a unified competition code, a common anti-dumping policy, and the need to incorporate services into the Mercosur agreement.

Tax harmonisation is another issue. According to Mr Michel Abdo Alaby, executive vice-president of the Association of Brazilian Companies for Integration into Mercosur, companies in Brazil are disadvantaged by the amount of tax they pay. In Brazil, tax accounts for an average of 42 per cent of



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group

production costs; in Argentina 28 per cent; in Uruguay 26 per cent; and Paraguay 20 per cent.

Issues such as public sector procurement also have to be tackled. Argentine construction companies complain that they do not receive the same treatment in Brazil as Brazilian companies get in Argentina. Another area where there is unequal treatment is in the oil sector, where in Brazil there is a state monopoly and where Argentina has an open market.

Brazil concerns its partners in other ways. A presidential decree last month to provide incentives to carmakers to move to the north-east, for example, has brought a worried response from Argentina.

"The main issue that concerns us at the moment is the location of new investment, and the beggar-my-neighbour tactics being used by Brazilian states fighting for corporate investment," said a senior trade official in Buenos Aires.

Argentine officials are also concerned that other practical difficulties for exporters to Brazil - for example, the double tariff - may encourage most **Mercosur** investment to head for Brazil. "Difficulties in entering the Brazilian market become incentives to invest there," said one.

The attitude of Brazil to its smaller partners is thus central to the development of **Mercosur**. This is particularly so because **Mercosur** lacks an institution such as the European Commission that can advance integration when the political will to do so is weak, or prevent it from going into reverse.

Mr Alieto Guadagni, Argentina's secretary of industry, commerce and mining, says: "We don't want to create a huge and costly bureaucracy, but we have to take care that we don't lose dynamism."

But Brazil - which accounts for 70 per cent of the grouping's production and population - has strongly resisted a supranational bureaucracy or court for **Mercosur**. As a result, most difficult decisions find their way to the four heads of state themselves.

Until now, there has been no lack of political will towards the development of **Mercosur**, although Brasilia has been cooler on the idea of pursuing rapid negotiations soon on a free trade area from Alaska to Tierra del Fuego. Leaders from the western hemisphere agreed this more than two years ago at a summit in Miami.

However, even if Brazilian President Fernando Henrique Cardoso secures re-election for another four-year term next year, continued political backing for **Mercosur** will also depend on the continued success of Brazil's and Argentina's anti-inflation programmes.

A return of inflation in either country would increase strains on the other economy and on **Mercosur** itself. As time passes, in any case, there will be greater pressure for economic policy co-ordination.

"A common market will require greater institutionalisation of **Mercosur** and will need greater harmonisation of exchange rates and other economic policies,"

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

said Mr Benedito Pires, head of the foreign trade department at Fiesp, the Sao Paulo employers' federation.

Mercosur's success so far has led to parallels with the process of European integration. But the European Union has been driven by institutions which **Mercosur** lacks. As a result, further progress towards integration may well prove more difficult than the surprising advances made to date.

LANGUAGE: ENGLISH

LOAD-DATE: February 03, 1997



LEXIS·NEXIS®
A member of the Reed Elsevier plc group



LEXIS·NEXIS®
A member of the Reed Elsevier plc group



LEXIS·NEXIS®
A member of the Reed Elsevier plc group

LEVEL 1 - 67 OF 90 STORIES

Copyright 1997 Sun-Sentinel Company
Sun-Sentinel (Fort Lauderdale, FL)

February 17, 1997, Monday, Broward EDITION

SECTION: YOUR BUSINESS, Pg. 6

LENGTH: 702 words

HEADLINE: TIMING RIGHT FOR CLINTON TO VISIT LATIN AMERICA

BYLINE: DAVID BEARD STAFF WRITER

BODY:

President Clinton, the first U.S. leader since Calvin Coolidge not to set foot in Latin America during his first term, is making good on his promise to get more involved in the region this term.

With a hostage situation going on in Peru, a constitutional crisis in Ecuador and doubts about Haiti's stability, Clinton has little choice, Latin American and Caribbean experts say.

To some, Clinton's announcement of two trade visits to the region this spring was long overdue, given its economic importance to the United States and South Florida in particular.

'You can look at this trip as 'We support you' or 'We better pay attention to you, because Europe is getting ahead of us,' '' said Sophia Aguirre, an economist at the Catholic University of America in Washington, D.C.

'The U.S. is losing ground to Europe and Japan in investment, and now **Mercosur** (a common market of South American countries) is taking NAFTA's steam. Maybe Clinton suddenly woke up,' Aguirre said.

'It's the fashion now,' Aguirre, an Argentine, said of her homeland. 'After Evita, we Argentines are back in fashion now.'

Clinton will visit Argentina, Brazil, Costa Rica and Barbados in May. He is heading in April to Mexico, a partner with the United States and Canada in the North American Free Trade Agreement.

'I would like to see that this is a very serious initiative on the part of the president,' said Courtney Blackman, Barbados' ambassador to the United States. 'We have all been a little frustrated.'

The Clinton administration has been unable to deliver on a 1994 pledge to admit Chile into NAFTA. Caribbean nations have had to wait out the U.S. domestic political in-fighting before Washington could turn to vital regional issues - such as united anti-drug efforts, trade parity with Mexico and help for the area's banana and rum industries.

'A lot of it, in my viewpoint, is that the Americans were so embattled in



LEXIS·NEXISTM
A member of the Reed Elsevier plc group



LEXIS·NEXISTM
A member of the Reed Elsevier plc group



LEXIS·NEXISTM
A member of the Reed Elsevier plc group

Sun-Sentinel (Fort Lauderdale), February 17, 1997

the election year," Blackman said. "They didn't have time to deal with us, busy with their own internal affairs."

The first Barbados stop by a U.S. president came even before America was a republic - when 19-year-old George Washington chaperoned his tubercular half-brother Lawrence there in 1751.

For Clinton, a Caribbean stop this time was necessary, agreed Ambler Moss, director of the University of Miami's North-South Center.

Clinton administration officials say despite Clinton's failure to head south - except for a four-hour swing to Haiti following the U.S. military intervention in 1994 - does not reflect a lack of commitment by the White House to the region.

"I understand the 'You don't call, You don't write' aspect with the region, but I'd argue that there has been a tremendous attention to Latin America his first term," a State Department official said on background.

For example, Clinton met every head of state in the hemisphere during the 1994 Summit of the Americas in Miami. He pushed through NAFTA and forked over \$ 13.5 billion to bail out NAFTA partner Mexico following that nation's currency crisis.

Last month, in his State of the Union message, Clinton issued a new push to get authority to add new members into NAFTA. In the speech, Clinton said expanding free trade advances the cause of freedom and democracy.

"There is no better example of this truth than Latin America, where democracy and open markets are on the march together," Clinton said.

Latin America and the Caribbean are among the few regions in the world where the United States has a trade surplus. The United States is running a surplus of about \$ 4 billion a year in South America alone. South Florida's Top 10 trading partners are all in Latin America or the Caribbean, a region growing at an average of 4 percent a year.

The countries need about \$ 1 billion a week in new roads, phone links and other infrastructure to keep the boom going, Inter-American Development Bank economists say, and U.S. companies do not want to lose out on some of that business.

Moss said Clinton's trips help set up a meeting of trade ministers in Belo Horizonte, Brazil, later this year and a summit of hemisphere's leaders in March 1998 in Santiago, Chile.

GRAPHIC: PHOTO, Clinton

TYPE: international business

LOAD-DATE: February 17, 1997

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS™**

A member of the Reed Elsevier plc group

LEVEL 1 - 52 OF 90 STORIES

Copyright 1997 Sun-Sentinel Company
Sun-Sentinel (Fort Lauderdale, FL)

March 5, 1997, Wednesday, FINAL EDITION

SECTION: BUSINESS, Pg. 1D, INTERNATIONAL

LENGTH: 689 words

HEADLINE: U.S. LOSING ITS FREE-TRADE EDGE;
TIRED OF WAITING, LATIN AMERICAN COUNTRIES FORM THEIR OWN PACT

BYLINE: DOREEN HEMLOCK; Business Writer

BODY:

When it comes to free trade in the Americas, the United States is like "a host who fails to show up to his own dinner party," says a Miami trade expert.

The guests from Latin America and the Caribbean organize themselves, have a great time, and then ask, "Who needs the host anyway?'"

That's how University of Miami Inter-American specialist Jerry Haar described the trends in hemispheric free trade during a customs conference in Miami.

Participants agreed that Washington is stalled on expanding the North American Free Trade Agreement, and another regional bloc has instead captured the momentum: **Mercosur**, led by Brazil.

"NAFTA is stuck in the mud," Haar said. "Brazil has asserted its leadership role."

Mercosur started two years ago as a serious economic force, with more than 200 million people in Brazil, Argentina, Uruguay and Paraguay producing more than half the output in Latin America.

Its power grew last year when it signed a new associate member: Chile, the country that Washington had pledged as next for its now-stalled NAFTA expansion.

And **Mercosur's** weight stands to further grow as it prepares this year to join at least four more countries in what some call the South American Free Trade Agreement (SAFTA) - an apparent counterbalance to NAFTA.

"SAFTA," said Colombia's vice minister for trade Felipe Jaramillo, "will allow us to be in a stronger position to negotiate with other groups in the Americas."

For South Florida, the mix of U.S. footdragging and **Mercosur's** expansion could mean a loss of some business to Brazil.

That's because **Mercosur** cuts tariffs for trade among its members, but keeps tariffs higher on imports from non-members, including the United States.



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]

A member of the Reed Elsevier plc group

Sun-Sentinel (Fort Lauderdale), March 5, 1997

Rather than shipping U.S.-made goods from Florida with higher tariffs, some U.S. firms might seek to produce in Brazil and sell with lower tariffs into **Mercosur**, trade experts said.

"U.S. firms could find themselves on the wrong side" of **Mercosur** and other regional accords, until a hemispheric pact is crafted, warned Ambler Moss, director of the University of Miami's North-South Center, in a recent report on hemispheric trade.

Brazil's push stems partly from a 1994 summit in Miami, where President Clinton and leaders from 33 other hemispheric countries agreed to form a Free Trade Area of the Americas by 2005.

Clinton proposed the pact and pledged to move it forward by bringing Chile next into NAFTA, joining Canada and Mexico - a step still to take place.

Chile's entry into **Mercosur** was the clearest signal yet that Latin American countries will not wait for Congress to act first.

"With the Chile-**Mercosur** agreement, **Mercosur** ... increased its political weight as a counterbalance to NAFTA," the Summit of Americas Center of Florida International University wrote in a recent report on Chile.

As Brazil's clout grows, Washington faces a tougher challenge in getting its preferred path toward hemispheric free trade.

So far, the United States has favored a comprehensive approach - with pacts on tariffs, labor, environment and other issues still being debated in Congress.

Brazil instead has favored a more limited approach - focusing mainly on tariffs.

"**Mercosur** is leading the way in what might be the blueprint for Latin America in trade, investment and integration," said Osvaldo Agatiello, the Latin American regional coordinator for consulting firm Baker & McKenzie in Miami.

Mercosur follows a European Community model, with Brazil and Argentina acting as cornerstones, much like Germany and France have in Europe.

The group officially began Jan. 1, 1995. It eventually aims to create a common market in South America's southern cone to include common trade policies, in addition to common tariffs now being implemented.

The group's efforts toward open trade already are paying off for its founding members.

Trade between the four countries reached \$ 14.5 billion in 1995 - the last year with full data - up more than three-fold from 1990.

Brazil is South Florida's largest trading partner, with imports and exports last year estimated to top \$ 4 billion.

GRAPHIC: MAPS 2, LYNN OCCHIUZZO/Staff; Map: (color) Southern Cone Common Market; Map: (color) North American Free Trade Agreement.

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

**LEXIS·NEXIS**

A member of the Reed Elsevier plc group

LEVEL 1 - 19 OF 90 STORIES

Copyright 1997 The Buffalo News
The Buffalo News

May 10, 1997, Saturday, FINAL EDITION

SECTION: EDITORIAL PAGE, Pg. 2C

LENGTH: 656 words

HEADLINE: U.S. CAN'T AFFORD TO THINK ITS SOUTHERN NEIGHBORS DON'T;
MATTER

BODY:

Paralyzed by election-year jitters that prevented any real talk of how to trade with Latin and South America, the White House is now playing catch-up. Many of those snubbed countries are proceeding toward their futures without the United States.

It's a far cry from what was envisioned at the 1994 Summit of the Americas, when President Clinton talked of a hemisphere-wide free-trade zone by 2005.

When he meets Caribbean leaders in Barbados today -- after visiting Mexico and Central America -- Clinton will be facing **Mercosur**, the two-year-old trading bloc led by Brazil.

And he's still explaining what happened to questionable plans to admit Chile as the first step toward expanding the North American Free Trade Agreement. That process was supposed to unite the hemisphere and prevent the emergence of potential rival trading groups like **Mercosur**. But it died when "fast track" legislation giving him added authority to negotiate such deals lapsed.

Such is the state of U.S. policy toward the region. In fact, the trip began with a two-day visit to Mexico, where the lack of real progress on concrete problems illustrates just how problematic the whole concept of uniting the hemisphere is.

The seemingly intractable problems of drugs and illegal immigration, seen against a backdrop of Mexican pique and U.S. congressional suspicion, made opening of lines of communication the best that could be accomplished there.

Vague agreements to work together on drugs and immigration paper over conflicts that stem from very real differences in the two societies. With its law enforcement system riddled with corruption, its poor desperate for jobs and its economy still under intensive care, Mexico theoretically is in no position to dictate the terms of U.S. assistance.

Yet Americans have to be mindful of issues of sovereignty and national pride and recognize that Mexico's problems will increasingly flow across the border if U.S. imperiousness prompts a breakdown in cooperation.

Further south, many of the same social and economic differences loom. But the fact that those nations are not right on the U.S. border make arguments for



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

premature economic integration less persuasive than when Canada and the United States were moving toward linking arms with Mexico.

Nevertheless, the United States cannot turn its back on Central and South America. Last year, the **Mercosur** trading partners -- Brazil, Argentina, Paraguay, Uruguay and associate member Chile -- did more business with Europe than with the United States for the first time.

Though the economies of **Mercosur** are far smaller than those of NAFTA, the new kid on the bloc is looking toward negotiating as a unified power with both Europe and its northern neighbors.

That does not have to be bad news for the United States. Because of the size and proximity of the U.S. market, this country still will be a major player in any trading contest. For instance, 40 percent of what Latin America spends abroad still is spent here.

Nevertheless, if the United States hopes to nurture budding democracies, pave the way for U.S. companies in those countries and cultivate political allies that can be counted on in international squabbles, it can't afford to pretend those regions don't exist.

Clinton's first trip south comes after European and Asian leaders already beat him to the punch with visits. That foot-dragging reflects a perceived disdain for foreign affairs in the American public and Congress.

But foreign affairs is precisely the area where a president can exert his greatest influence. Even if the region is not ripe for full-fledged economic integration, there is a need for stronger trade ties against a background of respect for U.S. environmental and labor standards.

If the United States does not build friendly ties, Europe and Asia will. And all we'll be left with are the continuing flow of drugs and illegal immigrants.

GRAPHIC: Associated Press; President and Mrs. Clinton with Mexican President Ernesto Zedillo: More U.S. diplomacy and attention should be directed toward all of Latin America.

LANGUAGE: ENGLISH

LOAD-DATE: May 11, 1997



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

LEVEL 1 - 45 OF 90 STORIES

Copyright 1997 Sentinel Communications Co.
THE ORLANDO SENTINEL

March 18, 1997 Tuesday, METRO

SECTION: A SECTION; Pg. A8

LENGTH: 70 words

HEADLINE: FRANCE'S CHIRAC WORKING TO IMPROVE ARGENTINA TRADE

DATELINE: BUENOS AIRES, ARGENTINA

BODY:

French President Jacques Chirac began a two-day state visit to Argentina Monday, winding up a five-nation tour of Latin America in France's closest economic and cultural partner in the region. Chirac, on a tour designed to boost relations between the four-nation South American **Mercosur** customs union and the European Union, talked with President Carlos Menem at the Casa Rosada presidential palace Monday morning.

LANGUAGE: ENGLISH

COLUMN: OTHER NEWS TO NOTE

The World

LOAD-DATE: March 18, 1997



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

LEVEL 1 - 46 OF 90 STORIES

Copyright 1997 The Financial Times Limited
Financial Times

March 14, 1997, Friday LONDON EDITION 1

SECTION: NEWS: WORLD TRADE; Pg. 04

LENGTH: 131 words

HEADLINE: Call for EU-Mercosur summit
WORLD TRADE NEWS DIGEST:

BODY:

Call for EU-Mercosur summit

President Jacques Chirac of France yesterday called for a heads of state summit next year between the EU and **Mercosur**, the South American trade grouping, to boost the economic links between the two regional blocs.

Speaking on his first trip as president to Latin America, he also proposed a further summit of all European and Latin American heads of state the following year.

The proposal is an attempt to steal the initiative from the US which is the biggest foreign investor in Brazil, and which is involved in negotiations to create a 34-country free trade area for the Americas (FTAA) by 2005.

The members of **Mercosur** are Brazil, Argentina, Paraguay and Uruguay. Chile and Bolivia are associate members. Geoff Dyer, Sao Paulo

LANGUAGE: ENGLISH

LOAD-DATE: March 14, 1997



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group



LEXIS·NEXIS
A member of the Reed Elsevier plc group

LEVEL 1 - 63 OF 90 STORIES

Copyright 1997 Times Business Publications
Business Times

February 22, 1997, Weekend Edition

SECTION: Region; Pg. 5

LENGTH: 680 words

HEADLINE: Asean-Mercosur free trade area on cards

BYLINE: Yang Razali Kassim

BODY:

- SINGAPORE

Argentine president sees the move as the next logical step after pact with EU

ASEAN and the **Mercosur** countries are stepping up talks to form a huge free trade area linking South-east Asia with Latin America.

This was disclosed yesterday by Argentine President Carlos Menem. Argentina is a key player in the **Mercosur** group whose other members are Brazil, Paraguay and Uruguay.

Dr Menem told a gathering of local and Argentine business leaders during a two-day visit here that a similar free trade area between the **Mercosur** and the European Union has already been signed.

This huge trans-Atlantic free trade area is expected to be fully realised by 2005, he said.

He saw the proposed free trade with Asean to be the next logical stage to link the **Mercosur** countries with the dynamic regions of the world.

Asean's free trade area is Afta, which will be fully realised by 2003, encompassing the lowering of barriers to trade and investment among the seven Asean members.

Dr Menem said Afta-Mercosur free trade linkages will be a subject of a coming meeting of the **Mercosur** countries. He expressed hope that an agreement could be signed with Asean soon.

He said the **Mercosur** group was performing so well today that it was even doing better than Nafta, the North American Free Trade Agreement covering the United States, Canada and Mexico. Asean is also forging free trade links with Nafta.

Once plagued by economic stagnation, huge fiscal debts and hyper-inflation, the Latin American developing countries are now collectively tasting the fruit of economic progress because of free trade and widespread deregulation.



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group



LEXIS·NEXIS[™]
A member of the Reed Elsevier plc group

Earlier, Singapore Trade and Industry Minister Lee Yock Suan said economic ministers of Asean and **Mercosur** met for the first time in December last year to explore areas of economic cooperation.

These included Asean-**Mercosur** dialogue sessions at both the ministerial and private sector levels, and the exchange of information on investment and business opportunities.

"I am pleased that Asean and **Mercosur**, the two most dynamic regional groupings in the world, have started to establish linkages between them," Mr Lee said.

Many businessmen in the region, he added, have also shown keen interest in the **Mercosur** countries and have taken active part in trade and investment missions to the region.

Intra-regional trade among the **Mercosur** countries has more than tripled from US\$ 4 billion (S\$ 5.68 billion) in 1990 to US\$ 14.5 billion in 1995 as internal tariffs were brought down. Trade among the four member countries are now free for 85 per cent of their products and will be free for all categories by 1999.

LANGUAGE: ENGLISH

LOAD-DATE: February 24, 1997



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group



LEXIS·NEXIS

A member of the Reed Elsevier plc group

The
Economist

Rediscovering the Americas

Nelson,

Steve

Can we subscribe
to the Economist?

JZ

TO MANY in the United States, the North American Free-Trade Agreement was quite enough, thank you. Free trade with Canada, no problem; they had most of that already. But free trade with low-wage Mexico -- and then a crumbling peso, making its goods cheaper still. And a multibillion-dollar bail-out. No wonder many of Bill Clinton's countrymen, not least some in Congress, have had their fill of Latin America, and want to know why he hasn't.

They will learn. The president -- just back from visiting their nearby southern neighbours and due farther south in October -- has news for them: they've seen nothing yet. In 1994 the entire region, bar Cuba, pledged to negotiate free trade by 2005. Progress has been slow, not only because of unease in the United States. There are doubts elsewhere too, and discord on the exact way forward; witness this week's meeting of trade ministers in Brazil. Yet the goal is agreed, and somehow, some day, it will probably be reached. Allow for pot-holes on the negotiators' way, and then for the phasing-in of what they at last decide, and within, say, 20 years, free trade will rule from Alaska to Cape Horn. And the United States, indeed the world, will have rediscovered the Americas.

A new and normal world

Living with this new world will sometimes be difficult, not least because Latin America will have rediscovered itself. Twenty years ago, this was the home of military regimes, of subversion and repression, in several places of guerrilla war. National frontiers were fiercely guarded by soldiers and customs men. National economies were closed, large parts of them state-owned, still more state-controlled. Today, most of this has gone -- not irreversibly, but gone. In civic life, for all the corruption that still exists, choices are made by votes, not guns, among and by politicians, not self-picked *caudillos*. The issue is how to make the institutions of democracy work properly, not whether they should exist. Trade barriers are being pulled down, internal markets freed, state industries and services privatised.

None of this free-marketry has been easy, because much has been painful. There have been setbacks, and there will be more. Yet the market marches on. And in most countries -- above all, Brazil (see [article](#)) and Argentina -- one thing no longer marches with it: inflation. True, it may start up again, and far more easily than statist economics could. But everywhere it is recognised as the evil that it is.

This is indeed a new world. But not one that needs a new Columbus to claim it or reshape it. Far from it. What is new is that it is much like the rest of the developed world: poorer, but on the same economic path; self-respecting; and now, like other places, self-confident with the strength of achievement, not of nationalistic bombast. Latin America, like Canada, will long remain dependent on the United States for export markets, though trade with Europe and Asia is growing. Its migrants will still go north, legally or not. So will its drugs. Willy-nilly, it will still have to recognise the primacy of its giant neighbour. But, however imperfectly, and however unevenly -- it is far from homogeneous -- Latin America is today part of the same free-market, democratic society. And its countries will speak, like Canada, as free, self-respecting countries do: as equal to equal even when they're not.

Latin Americans are doing that already. In recent months they have fiercely criticised the United States' policies on drugs, on the treatment of immigrants, on Cuba. Along the long route to free trade, the Brazilians have vigorously challenged the American road map. You have interests, they say, so do we; you have to listen, just as we do. None of this wins friends in the United States, of course not. But all of it is part of the normal give-and-take among normal neighbours.

So too are happier things: the rising flows of regional trade, of cross-border investment -- from Canada and the United States, from one Latin country to another, from Europe and Asia -- attracted by freer, wider and growing markets. Yes, and the movement of people, which means students and tourists and businessmen, not just job-seekers or drug dealers; and, at least as important, of ideas, from soap operas to macroeconomics.

When Mr Clinton makes landfall in South America in October, it will not be on some jungle shore, home to unknown cultures, but in a half-continent not unlike his own, one of banks and stockmarkets, that makes cars -- nearly 2m a year of them -- and computers, pharmaceuticals and aircraft. And that knows its worth. If ever Latin America was Uncle Sam's backyard (legend exaggerates), it is so no more.

This is a neighbourhood, one of rich and poor, mighty and puny -- with Canada ready to act as a psychic if not physical go-between -- but shared by all. This, rediscovered, is the Americas.

The Economist this week recognises that new normality in a new section, "The Americas", covering Latin America, the Caribbean and Canada. Our familiar "American Survey" will continue, renamed "United States", the two standing to each other as "Europe" does to "Britain". But it is not journalists who decide; it is the real world of (wholly welcome) free-marketry and (whatever our doubts) economic regionalism -- and our global readers' interest in both. And the recognition that counts is, not only but above all, that of the electorate of the United States. Go to it, Mr Clinton.

[The Economist Home Page](#) - [Search](#) - [Contents](#) - [Next article](#)

© Copyright 1997 *The Economist* Newspaper Limited. All Rights Reserved