



# A Time for Decisions:

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*U.S. Policy in the  
Western Hemisphere*

A report of the Sol M. Linowitz Forum

INTER-AMERICAN DIALOGUE

## The Inter-American Dialogue

The Inter-American Dialogue is the premier center for policy analysis, exchange, and communication on issues in Western Hemisphere affairs. The Dialogue engages public and private leaders from across the Americas in efforts to develop and mobilize support for cooperative responses to key hemispheric problems and opportunities.

Dialogue activities are directed to generating new policy ideas and practical proposals for action, and getting these ideas and proposals to government and private decision-makers in local, national, and international organizations. We also give diverse Latin American and Caribbean voices access to Washington policy discussions. Although based in Washington, the Dialogue conducts its work throughout the hemisphere, in close collaboration with institutions in Latin America, the Caribbean, and Canada. A majority of our Board of Directors are from Latin American and Caribbean nations, as are more than half of the Dialogue's members and participants in our other leadership networks and task forces.

Since 1982—through successive Republican and Democratic administrations and many changes of leadership elsewhere in the hemisphere—the Dialogue has helped shape the agenda of issues and choices in inter-American relations. President Bill Clinton observed, "For 14 years the Inter-American Dialogue has played a leading role in framing the debate on issues that really matter to the people of our hemisphere." President Fernando Henrique Cardoso of Brazil, a founding member of the Dialogue, stated that the Dialogue "has made a great contribution to the favorable atmosphere prevailing in hemisphere affairs at present."

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## Foreword

**T**his Inter-American Dialogue report—our 11<sup>th</sup> comprehensive policy report on Western Hemisphere affairs since 1982—is addressed to the next president of the United States. It provides our assessment of recent developments in Latin America and the Caribbean, discusses the key challenges for U.S. policy in the region, and sets forth a series of concrete recommendations for action by the new administration. We are convinced that this is a moment when responsible and creative U.S. leadership can help resolve many outstanding problems in hemispheric affairs and open a range of economic opportunities for the United States and every other nation of the Americas.

As a genuinely inter-American group, the Dialogue brings a special perspective to discussions of U.S. policy in the hemisphere. One-half of our 100 members are citizens of the United States. The rest are from Canada and 22 nations of Latin America and the Caribbean. Our membership is also politically diverse. We include Republicans and Democrats from the United States, and supporters of a wide spectrum of parties from elsewhere in the Americas. We all, however, share a commitment to democratic politics, economic and social progress, and greater cooperation in inter-American relations. The Dialogue's Sol M. Linowitz Forum brings our members together in plenary session approximately once every two years.

The report reflects the consensus of the Dialogue's members. Not every signer agrees fully with every phrase in the text, but—except as noted by individual statements—each of them endorses the report's overall content and tone, and supports its principal recommendations. Signers subscribe as individuals; institutional affiliations are for purposes of identification only.

We want to express our gratitude for the many contributions we have received for the Dialogue's endowment fund, which helps support the Linowitz Forum. Our campaign chairs, John Whitehead and Javier Pérez de Cuéllar, deserve particular thanks, and we are grateful for the strong financial support of our board of directors, our members, and others closely associated with the Dialogue. We are especially pleased to acknowledge generous gifts from American Airlines, Andean Development Corporation (CAF), AT&T, Bloomberg Inc., Emerging Markets Partnership, The Ford Foundation, Frank Russell Company, Offitbank, David Rockefeller, Time Warner, Whitehead Foundation, and other individual and corporate donors too numerous to mention.

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# A Time for Decisions: U.S. Policy in the Western Hemisphere

The United States today faces critical choices—and exciting opportunities—in its relations with Latin America and the Caribbean. The decisions and actions of the new U.S. administration will deeply affect the future of Western Hemisphere affairs. The most important issues it must confront are:

- ◆ Whether and how to negotiate hemisphere-wide free trade arrangements and move toward broader economic integration with Latin America, the Caribbean, and Canada.
- ◆ How to respond to the proposals of President Vicente Fox of Mexico for closer and more cooperative bilateral ties, a dramatic redirection of counter-narcotics efforts, and increasingly open borders.
- ◆ How to help stem the violence and national deterioration in Colombia and restore peace and lawful authority to that beleaguered country.
- ◆ What to do to invigorate democratic institutions across Latin America, and respond to the challenges and setbacks to democracy in Peru, Venezuela, Ecuador, Paraguay, Haiti, and Nicaragua.
- ◆ How to develop effective multilateral cooperation with Latin American nations on pressing regional issues such as drug trafficking and migration.
- ◆ What to do to help Latin American and Caribbean nations attack deep-seated poverty and inequality, improve the situation of ethnic and racial minorities, and address worsening environmental problems.
- ◆ How to contribute to a peaceful and successful process of change in Cuba.
- ◆ How to shape constructive relationships with the nations of Central America and the Caribbean, most of which are heavily reliant on the U.S. economy.
- ◆ How to respond to the new international activism of Brazil, whose cooperation is vital for the achievement of key U.S. goals in the hemisphere.

By addressing these issues constructively and creatively, the United States can establish an enduring basis for economic and political cooperation with its southern neighbors. U.S. policy and leadership can help to reinforce democracy and the rule of law in Latin America and the Caribbean, enhance the region's prospects for economic growth and social equity, and accelerate regional integration efforts. In pursuing these goals, the

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United States stands to gain a great deal for itself as well.

U.S. interests are most advanced when the nations of Latin America and the Caribbean are stable, democratic, and economically prospering. These are the kinds of neighbors that make good trade partners, strong allies in the fight against drugs and crime, and valuable associates in resolving other regional problems. They are also helpful in fostering such common values as democracy, human rights, and social equity. In contrast, Latin American nations that are politically and economically troubled often confront the United States with costly problems and challenges. National crises in Latin America usually propel increases in illegal migration; that has been the experience in Haiti, Colombia, and Central America. Financial reverses in Mexico and Brazil required huge rescue packages, on the order of \$20 billion each, largely financed by loans from the United States and the International Monetary Fund (which have now been repaid). Washington recently pledged \$1.3 billion, several times the entire development assistance budget for the rest of Latin America, to respond to Colombia’s myriad difficulties.

### **The Americas in 2000: A Mixed Picture**

This was a good year for Latin America’s two largest and most important countries. Brazil sustained its strong economic performance throughout 2000, after recovering quickly and adroitly from a currency crisis in early 1999. Mexico made a decisive break with its authoritarian past by holding its most democratic election ever and inaugurating an opposition leader as president. The country also enjoyed its most vigorous economic growth in two decades.

Still, hemispheric affairs are more troubled today than they were five years ago. Inter-American relations were infused with optimism at the December 1994 Summit of the Americas in Miami, which brought together the hemisphere’s 34 elected presidents and prime ministers. Just one year earlier, the United States, Mexico, and Canada had formally launched the North American Free Trade Agreement (NAFTA), and the Mercosur trade pact among Argentina, Brazil, Paraguay, and Uruguay appeared to be prospering. At the Summit, the participating heads of state enthusiastically agreed to negotiate a hemisphere-wide free trade arrangement by 2005. Agreements on 22 other issues suggested a growing convergence of views and interests among the nations of the Americas—and a sense of confidence about the future.

The confidence was justified by the region's impressive political and economic advances. Democratic politics were making steady progress throughout Latin America and the Caribbean. In South and Central America, nearly two decades had passed without a successful military coup against an elected leader. In country after country, governments were serving out their full terms and peacefully transferring power, frequently to opposition parties. The wars in Central America had ended. Economic reforms were advancing throughout the region, and most countries were steadily emerging from the devastating debt crisis of the 1980s. Annual growth rates for the region as a whole exceeded 4 percent for the four-year period from 1991 to 1994, foreign trade was expanding rapidly throughout the region, and inflation was coming down in every country.

Since 1994, however, two debilitating financial crises have interrupted Latin America's economic progress and underscored its continuing vulnerability. Growth slipped to an average of 2.5 percent per year for the period 1995 to 1999, dropping the per capita growth rate to less than 1 percent. Unemployment soared, and the region's halting social advances came to a standstill. The economic setbacks raised concerns across Latin America about the region's ability to achieve and sustain high levels of growth, and about its prospects for success in the globalized economy. Although no country has yet turned away from market economic policies, doubts have multiplied about the benefits of free trade and the pace and breadth of economic reform.

This year—2000—has been more hopeful. Growth rates have risen to 4 percent for Latin America as a whole. The performances of Brazil and Mexico have been especially reassuring, but the economic news from the Dominican Republic and Chile has also been exceptionally good. Yet many other countries continue to struggle—including Colombia, Argentina, Ecuador, and Venezuela—even as they, too, register some improvements.

Economics is not the main reason to be worried about Latin America's future, however. More troubling is the quality of politics and political leadership in the region. Democratic politics have been set back in many places; these reversals are not mere "bumps in the road." The problems are deep and serious. To be sure, democracy has had important triumphs in the past year. The most stunning was Mexico's elections, where an opposition candidate—Vicente Fox—was freely elected president for the first time in this century, defeating the Institutional Revolutionary Party (PRI), which had held a monopoly of power

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in the country for 70 years. On a more modest scale, recent vice-presidential elections in Paraguay gave that country's opposition its first victory ever in a national vote. In many other places, however, the news has been distressing, nowhere more so than in the Andean region.

Colombia faces the most severe challenges. As the nation's democratic institutions are battered by a relentless guerrilla war, horrendous human rights abuses, pervasive criminal violence, and economic recession, the Colombian government is increasingly losing control over the country. The recently approved U.S. aid package of \$1.3 billion is intended to help reverse this situation—but may not be adequate to address the fundamental task of restoring authority and credibility to the Pastrana government. It is difficult to imagine how the government can successfully pursue its goals of peace and reconciliation without a stronger, more professional army that can respond effectively both to the guerrillas and paramilitary groups. But the government also needs to manage the peace process better and make a more effective commitment to protecting human rights. The continuing lukewarm support for Colombia's struggles from Latin American and European governments is troublesome as well. The danger is great that the violence in Colombia will worsen and the country will deteriorate further.

In Peru, the authoritarian government of Alberto Fujimori has imploded. Shortly after taking office for his third term, when a series of highly publicized scandals undermined his capacity to govern, President Fujimori announced he would call new elections and step down. More recently, he has resigned outright. Peru now faces a period of grave instability and uncertainty. A new president will be elected in April 2001, and take office sometime after that. Even then, however, Peruvians will have to confront the enormous tasks of rebuilding their political institutions and restoring national confidence. Fujimori's resignation has improved Peru's near-term prospects for democracy. A successful transition, however, requires that a weak government and a divided opposition cooperate in organizing elections and transferring power. It will also depend on the military and intelligence services staying out of politics. The guidance and support of the OAS and the rest of the international community will be vital. The important lesson of the past ten years of Peruvian politics is that strongman rule, no matter how successful it is in dealing with specific problems, is inherently and dangerously unstable. In Peru, it has put a nation and its people at great risk.

Last January, Ecuador suffered South America's first military



overthrow of an elected president in 24 years. Fortunately, the country's vice president (also elected) was allowed to assume office after international pressure helped to avert a takeover of power by the armed forces. The economy—benefiting from more decisive government policies, high oil prices, and the replacement of the national currency by the dollar—is making a gradual recovery from its near collapse earlier this year. The leadership and support of international financial institutions—the IMF, World Bank, IDB, and Andean Development Corporation—have been crucial to the recovery, and that support must be sustained. But Ecuador continues to be buffeted by partisan strife, compounded by underlying ethnic and social conflicts.

After two years of dramatic political change, including the ratification of a new constitution and sweeping institutional changes, uncertainty is growing about whether democratic practice and the rule of law will prevail in Venezuela. So far, President Hugo Chavez has, by and large, remained within the bounds of law, and he continues to command massive popular support. The enormous power he has concentrated in his own hands is one reason for concern. Another is his frequent and bitter criticism of representative democracy and his evident disregard for political institutions. His appointment of so many active and retired military officers to senior governmental positions is also troubling. Many in Venezuela are concerned as well about the capacity of the Chavez administration to govern—to manage a complex economy and make public institutions work.

Democracy is in danger in other parts of Latin America as well. Congressional elections earlier this year in Haiti, intended to reestablish lawful government after the nation's parliament had been shut for 18 months, were marred by fraud and manipulation. By defying international pressure and seating every disputed candidate, the government once again has demonstrated its continuing unwillingness to compromise or tolerate any serious opposition. As Aristide again prepares to assume presidential power, after an election boycotted by every leading opposition group, there remains little hope that even a very imperfect democracy will survive in the country. Political difficulties are also buffeting Central America's incipient democracies. In Nicaragua, for example, a pact between the government party and the largest opposition group, the Sandinistas, excludes other parties from power and allows for unprecedented levels of corruption.

These are all worrisome developments. They demonstrate how hard it is to sustain constitutional rule in the face of weak political institutions, an underdeveloped civil society, and

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extreme social inequities. Regionwide, however, democratic politics still prevail. No anti-democratic contagion has yet emerged. Besides Mexico, exemplary elections were held over the past 12 months in Argentina, Chile, Uruguay, and the Dominican Republic. Democratic competition remains vigorous in Costa Rica, and shows continuing strength in Brazil. In many countries where democracy is less robust, it hardly seems in grave danger.

The main concern is not whether democracy will survive. Rather, it is the quality and depth of democracy that is at issue—how well national and local institutions are performing; whether a vibrant and engaged civil society is contributing to civic life; and how competently public and private leaders are carrying out their responsibilities. The hard fact is that, in the great majority of Latin American countries, the performance of political leaders and institutions has, at best, been mixed.

Even in the sturdiest democracies, opinion polls consistently record the unhappiness of most citizens with their governments and most other established organizations. National parliaments, a bedrock institution of democracy, mostly operate with outmoded rules and meager resources. Individual legislators rarely answer to ordinary citizens. Few countries have courts or police forces that deliver justice in a timely or fair manner—or that protect ordinary citizens. Health and education ministries are notoriously inefficient, and sometimes corrupt. The most troubling development has been the sharply diminished role of political parties throughout the region and their virtual collapse in some places—a prominent feature in the democratic reversals in Peru, Ecuador, and Venezuela. Moreover, practical ideas for repairing Latin America’s public institutions are in short supply.

The shortcomings of Latin America’s politics and institutions are producing harsh consequences on many fronts. Economic mishaps today usually reflect political failure. Similarly, it is feeble and corrupted political institutions that confound efforts to combat poverty and social inequity. In Colombia, as the authority and credibility of the government waned, the nation’s economy, the fastest growing in Latin America for two decades, slumped badly, and crime and security problems dramatically worsened. Political turmoil could have disastrous consequences for Peru’s economy, one of the region’s best performing over the past ten years. A fragmented parliament and disorganized parties often lead to erratic and capricious policymaking in Brazil. Recent political turbulence has bedeviled efforts to revive Argentina’s depressed economy. Hope for economic and political renewal in Ecuador keeps foundering on the country’s bit-

terly antagonistic politics. Central America's economic integration, the region's best chance for development and social progress, has been stalled by political indecision.

Political and institutional deficiencies—not ignorance or indifference—are mostly to blame for the failure of Latin America's governments, across the board, to attend to the basic needs of their citizens. A large share of Latin America's population has little or no access to minimal government services. In many countries, cities are crumbling and health care and education continue to deteriorate. Traffic and pollution, along with skyrocketing crime and ingrained corruption, degrade the quality of life and welfare of citizens everywhere. Virtually every city in Latin America is far more violent and dangerous today than it was a dozen years ago. The region's homicide rate of 300 murders for every one million persons is twice the world average. Guatemala, Colombia, and El Salvador all have rates of above 1,000 per million. Latin America also lags badly in educational standards. The region's students score worse on international tests than their counterparts from Asia, Eastern Europe, and the Middle East. Only one of three Latin American children attends secondary school, compared to over three of four in Southeast Asia, and most drop out before graduating. On average, Latin American workers have two years less schooling than holders of identical jobs in other countries.

Latin America and the Caribbean have made enormous strides over the past two decades in reshaping and modernizing their economies and in establishing democratic rule and respect for human rights. Particularly significant have been the region's advances toward gender equality, stronger and more active civil societies, and freedom of the press. These are impressive accomplishments. But all of them will remain vulnerable until they are consolidated in enduring national institutions that can deliver sustained economic progress, effective social services, and individual security.

### **A Policy Agenda for the New U.S. Administration**

Strengthening democratic governance and civil society, achieving steady, sustained growth, and overcoming social inequities are all responsibilities that fall mainly to the governments and citizens of each nation of Latin America and the Caribbean. The U.S. role can only be secondary and limited. Yet, the United States—given its great wealth, political and military power, and global reach—can contribute to Latin America's well being in

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multiple ways. And if Latin America succeeds, the United States stands to gain a great deal, economically and politically.

A striking feature of Latin America, distinguishing it from the world's other developing regions, is its complex relationship with the United States. With an economy nearly five times that of the rest of the hemisphere combined, the United States holds a dominant position in inter-American affairs. It is Latin America's leading trade partner, and the first or second most important foreign market for nearly every country of the region. It is also the largest source of investment capital. Moreover, U.S. preferences affect the decisions of multilateral institutions, including the IMF, World Bank, and Inter-American Development Bank, and Washington importantly influences hemispheric practice regarding human rights, democracy, free trade, economic reforms, and many other crucial areas. The foreign policies, and often the domestic priorities, of every Latin American and Caribbean country are shaped and constrained by its ties with the United States. This huge asymmetry of power between the United States and the rest of the hemisphere has been an obstacle to productive relations.

U.S. power, however, can also be used constructively—but that will require Washington to consult and cooperate with the governments of Latin America far more regularly and extensively than it has historically. Policies and programs unilaterally manufactured in Washington, no matter how well intentioned, cannot respond effectively to the needs of the region. They will not gain the support of Latin American nations and will rarely yield useful results. The most productive policies will be those that emerge from continuing consultations and are carried out collaboratively. The United States can lead—but by example, not by command or imposition. Building cooperation requires the U.S. government to act less unilaterally and more multilaterally—to make more effort than it has in the past to find common ground and work together with governments of the region on every important issue.

Writing about U.S. Latin American policy in *Foreign Affairs* in 1988, as George Bush was about to take office, Sol Linowitz stated:

Our fundamental goal must be to restore a sense of trust and partnership in U.S.-Latin American relations. The new administration could quickly make clear its commitment to that goal by announcing, upon assuming office, its willingness to participate

in a summit conference with the presidents of Latin American democratic countries to discuss issues of common concern and formulate a common course of action.

A dozen years later, the new U.S. administration starts off with an advantage. Only a few months after it takes office—in April 2001—the democratically elected leaders of the Americas will be meeting in Quebec City for their third summit conference since 1994. This is an exceptional opportunity for the U.S. president and his advisors to intensively consult with their counterparts from throughout the hemisphere—listening carefully to the priorities, concerns, and proposals of other governments, and testing out their own ideas and proposals. If it is well prepared, the new administration can also make good use of the summit to reinforce and amplify the United States' commitment to a multilateral agenda in hemispheric affairs. (The summit is also an opportunity for Washington to support the valuable role that Canada has been playing in inter-American relations in recent years, and encourage the Canadian government to sustain its active and innovative engagement in hemispheric affairs and its support for multilateral initiatives.)

The United States would send an important signal by pledging to invest much more than it does now to make the Organization of American States a stronger, more efficient, and more vital institution, particularly to better assist in resolving conflicts and safeguarding democracy. As it stands, the OAS—despite many recent improvements—is a troubled organization, with an array of problems that stand in the way of more fruitful multilateral cooperation. But, the OAS is still the only organization through which the governments of the hemisphere can work collectively to defend and advance democracy. It is the only institution that can give lawful authority to efforts by the United States and other nations to prevent threatened breakdowns of democracy in the Americas or to try to rectify the damage when such breakdowns occur.

The OAS in the past year has been both highly praised and roundly criticized for its electoral missions in Peru and Haiti, and for its subsequent efforts to assist in rebuilding democratic politics. The fact is, however, there are simply no other means to deal with such situations that have a shred of legitimacy. No country, not even the United States, could have credibly acted alone in either Peru or Haiti.

The OAS has to be changed in fundamental ways to become

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a more effective institution. It needs to be better financed and staffed; it requires more autonomy; and it needs stronger representation from every member country. Reforming the OAS demands U.S. leadership, patience, and steadfastness, but it also requires that Washington be fully sensitive to the suspicions of most Latin American nations that a stronger OAS will be dominated and sometimes abused by the United States. Not only does the United States have to demonstrate leadership; it has to show—not simply declare—a continuing commitment to build consensus, work multilaterally with the other states of the hemisphere, and truly respect their national sovereignty. It will take time to gain the full confidence of Latin America, but that is the only long-term basis for collective action to deal with the problems of democracy, governance, and conflict in the hemisphere.

When they meet in Quebec next April, the U.S. president and other heads of state could further advance hemispheric cooperation by agreeing to institutionalize the summit process and transform it into a primary instrument for governing inter-American relations. At regularly scheduled meetings, the hemisphere's presidents and prime ministers would set out norms, priorities, and—in some cases—policy prescriptions, all of which would guide the work of the OAS and other regional institutions. An assembly of heads of state is an effective means for multilateral engagement and problem solving.

Long-term cooperation in hemispheric relations depends importantly on the reaffirmation, by every president at the summit, of the hemisphere's commitment to finish negotiating the Free Trade Area of the Americas (FTAA) by the established deadline of 2005. Trade and investment have become the cornerstones of Western Hemisphere cooperation. The first interest of almost every Latin American and Caribbean country in its relationship with the United States is access to U.S. markets and investment capital. U.S. interests—political and economic—will also be well served by more open hemispheric trade.

The United States cannot lead in inter-American affairs unless it fulfills its pledge to join every other hemispheric country in the FTAA. That means the new U.S. president must move quickly to secure fast track authority from Congress. As has become evident in the past several years, without fast track, the United States' declared commitment to free trade will not be taken seriously in Latin America. Washington will lose its leadership role in the negotiating process—and probably more broadly, as well. Other countries will almost certainly lose their enthusiasm for the FTAA and prospects for regional cooperation generally will

wane. Failure by the new administration to move quickly to secure fast track will convey, across Latin America, that hemispheric relations are a low priority for the United States.

Ideally, U.S. trade policy in the hemisphere should command broad bipartisan support—which means that worker's rights and environmental protection will need to be given attention, in ways that are acceptable to both Democrats and Republicans. A U.S. effort to incorporate labor and environmental standards into the FTAA or other trade agreements, however, will be strongly opposed by Latin American governments. They justifiably fear that such standards will raise new and unfair barriers to imports from the region—ending up as just one more U.S. restriction on trade. Countries will be especially sensitive to any suggestion that trade sanctions be employed to enforce labor or environment standards. Clearly, this is a fundamental issue that will have to be carefully dealt with—either within or parallel to free trade negotiations. There are no easy solutions.

Congressional approval of fast track is essential, but it does not, by any means, guarantee FTAA negotiations will succeed. Latin American countries will negotiate hard, appropriately defending their national interests and priorities. Moreover, most Latin American nations now participate in subregional trade arrangements, and these have, over time, taken on greater and greater significance. Mercosur is currently the most substantial of these arrangements, and it may soon unite with the Andean Community to establish a South America-wide trade pact. The Central American Common Market and the Caribbean Community (Caricom) are two other pivotal trade groups. Mexico and Canada, the NAFTA partners of the United States, have also developed free trade agreements with many Central and South American countries. These multiple and intersecting trade ties will affect the FTAA negotiations and influence the final agreement, when and if it can be reached.

Even as FTAA negotiations proceed, the new administration will have to decide whether and how to pursue a free trade agreement with Chile. For six years, the United States has been unable to carry out the pledge it made at the 1994 Miami Summit to bring Chile into the NAFTA. It may now be time to consider opening negotiations toward a bilateral trade pact with Chile, which could, in the short run, help to reassure other Latin American nations of the United States' continuing commitment to free trade in the hemisphere.

The financial crises of 1995 and 1998, which battered Mexico and Brazil and many other Latin American nations, highlighted

the need for regional economic cooperation that goes beyond trade. The hemisphere's finance ministers, central bank presidents, and other financial leaders already meet regularly. The time is ripe for the U.S. Treasury—working with its Latin American, Caribbean, and Canadian counterparts—to take the initiative to develop hemisphere-wide mechanisms that can help defend individual countries against currency crises and reduce the likelihood of their spreading from one economy to the next. (This initiative by no means reduces the need for each country to take its own domestic measures to avoid and respond to crises—making sure financial institutions are well managed, sound macroeconomic policies are in place, and the poor have some measure of protection.) In addition, the Treasury should open discussions with the hemisphere's other finance ministries to explore whether and how the nations of the Americas should seek to establish common macroeconomic targets—inflation, budget deficits, debt to GDP ratios, for example—and a time-line for meeting them (in the fashion of Europe's Maastricht criteria and Mercosur's recent policy harmonization initiative).

Whether the countries of the hemisphere should move to adopt a common currency (presumably the dollar, given the economic preponderance of the United States) is a politically delicate issue in many countries—but the debate is not likely to disappear. The United States has so far remained on the fence, neither encouraging nor discouraging countries from moving toward dollarization. In Ecuador, the one country that has recently dollarized, U.S. help has been modest at best. This is the right moment for Washington to make clear its willingness to join with other nations of the hemisphere to undertake careful studies of what will be required to make the Americas a common currency area and what the consequences would be. There are several fundamental questions that only the U.S. government can answer. One is whether the United States will share the so-called "seignorage" profits obtained from printing dollars used by other nations. Another is whether other nations could gain representation on the Federal Reserve Board that is responsible for managing the U.S. currency.

While sustained multilateral approaches are needed to resolve many problems facing the hemisphere, the United States also faces critical issues and choices in its bilateral relations with the countries of Latin America and the Caribbean. Washington needs to pursue a consistent set of values and interests in the region as a whole, but U.S. policy must also take



account of the great differences among the nations and subregions of the hemisphere.

### *Mexico*

There is no question that the United States' most important relationship in Latin America is with Mexico—where the new government of Vicente Fox has recently taken office. Few other countries in the world affect the lives of Americans as much as Mexico. No other country is more directly and intensely affected by U.S. policies, domestic and international, than Mexico.

U.S.-Mexican relations have taken a constructive turn in recent years. Economic ties have flourished. When NAFTA took force in January 1994, Mexico became one of only three countries enjoying free trade relations with the United States (the others are Israel and Canada). Mexico has since become the United States' second largest trading partner (after Canada)—outdistancing Japan, Britain, and Germany—and a major destination for U.S. investment. Approximately 350,000 Mexican migrants each year, legal and illegal, are contributing to the current U.S. economic boom and reshaping U.S. life in multiple ways. The Mexican economy, in turn, is highly dependent on U.S. markets. Mexico sends more than 80 percent of its exports northward, while capital flows from the U.S.—including remittances from Mexican workers—have fueled Mexico's economic recovery since its 1995 currency crisis. Tensions over trade and other economic issues have not, by a long shot, been eliminated, but NAFTA now provides the institutional mechanisms for confronting problems and addressing disputes. And mechanisms are also in place, although working with only mixed success, to manage other contentious issues like migration, drug trafficking, environmental contamination, and water rights.

By making clear his strong interest in enhancing the relationship to serve both nations better, President Fox has presented a forceful challenge to the United States. The new U.S. administration should take up this challenge with enthusiasm, and systematically engage Canada in the process. Even though the initial proposals put forth by the new Mexican leadership may not be immediately attractive to Washington (or to Ottawa), they rightly focus on the main issues in the relationship. Surely, NAFTA can be strengthened and deepened, and made more agile—and perhaps it should, at some point, be converted into a European Union-style customs union. Opportunities also exist for greater macroeconomic coordination between the two countries, and it

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might be useful for the United States and Mexico to begin to contemplate a future in which the dollar becomes Mexico’s official currency. None of this can be achieved overnight and most of it will take longer than a single presidential term. But every item should be on the next U.S. president’s agenda.

The need for progress is even more urgent on matters of illicit drugs and undocumented immigration—the two most troublesome problems in the U.S.-Mexican relationship. Advances have been made in the past several years. Structured arrangements have been put in place to facilitate consultation and cooperation, and to manage the conflict that these issues generate year after year. But, neither country trusts the other very much in either area, and little common ground yet exists to build collaboration. There are no quick or sure remedies, but both problems can be dealt with more creatively and comprehensively than they have been so far. It is the unique configuration of U.S.-Mexican relations—shaped by an extended, 2,000-mile-long border and huge disparities in wealth—that makes the drug and immigration problems so hard to resolve. Practical solutions have to reflect that special configuration.

Washington should consider dealing with Mexican migration differently from that of any other country. After all, Mexico is, far and away, the largest source of legal and illegal migration to the United States. The huge unsatisfied U.S. demand for low-wage labor is a strong argument for a special initiative to allow workers from Mexico to hold jobs legally in the United States. Mechanisms are needed to permit Mexicans to live and work with dignity in the United States. They should be paid fairly, enjoy health and pension benefits, labor in safe conditions, and have the right to bring their families with them. It will not be easy to accomplish all this without creating new channels and inducements for undocumented migration. The Mexican government will have to cooperate with U.S. authorities to regularize and monitor the movement of people, and prevent abuses by workers or employers. Unlike any previous Mexican administration, President Fox has stated his commitment to developing such cooperative arrangements with Washington. Nothing should prevent the two governments from talking about what it would take to eventually establish an open border between the countries—as now exists among European nations.

Genuine U.S.-Mexican cooperation against drug trafficking is hard to imagine as long as the United States insists on unilaterally certifying the counter-narcotics performance of other nations. That process provokes distrust and antagonism in

Mexico—as it does in virtually every other Latin American country that is affected. The OAS, with strong support from the United States, has now developed a promising multilateral procedure for assessing anti-drug efforts by every nation in the hemisphere. Replacing U.S. certification with the OAS procedure would enhance cooperation regionwide—and should be a high priority for the new administration in Washington. It is also important that the United States step up efforts to curtail demand, and make sure other countries are well informed about these efforts. Latin American countries would, in addition, welcome stronger U.S. action to stop the export to Latin America of small arms, precursor chemicals, and other materials used in narcotics trafficking.

While an acceptable multilateral approach is sought, the United States and Mexico should consider replacing the annual U.S. certification process with a negotiated bilateral counter-narcotics agreement. Both sides would commit themselves to jointly-determined anti-drug measures and performance goals, and to agreed-upon procedures for enforcement, monitoring, and dispute settlement. This agreement—which would provide a solid foundation for cooperative action against drugs—would be based on existing U.S.-Mexico accords, which include more than a hundred specific drug-fighting initiatives. The United States reached a special trade deal with Mexico; a special arrangement on narcotics should also be possible.

An array of other imaginative U.S.-Mexican policy initiatives is now possible. Mexico’s decisive step toward democracy should make cooperation across the board easier and far more appealing to a U.S. public and Congress that have been leery of close relations with an authoritarian Mexico.

*Central America and the Caribbean*

With their heavy economic reliance on the United States and their ties of geography, trade, investment, and migration, the small nations of the Caribbean and Central America are clearly a part of North America. The United States has one overriding interest in the Caribbean Basin—that this group of neighboring countries, whose population totals more than 50 million, is economically healthy, politically stable, and democratic. Americans feel the consequences when any of the region’s economies turn sour or politics become violent or repressive. That is when the countries threaten U.S. interests, by generating large flows of migrants and becoming easy targets for drug traffickers and

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other international criminals. Markets are also at stake. Caribbean Basin countries, with a combined GNP equal to that of Colombia, purchase half of their imports from U.S. suppliers. Together, they buy more from the United States than France or China, and four times that of all the countries of Eastern Europe.

The United States needs to build more productive and mutually beneficial relations with the nations of Central America and the Caribbean—which have long suffered a continuing cycle of intervention and neglect from Washington. The United States made a good start earlier this year, when it approved the long-awaited Caribbean Basin trade legislation, aimed at putting the region on a more equal footing with Mexico in its commercial ties to the United States. Aid flows cannot be the core of the relationship as they were in the 1980s. Trade and investment must be the key. The ideal would be for the United States to join with Mexico and Canada to bring the region formally into the NAFTA agreement, and build mechanisms (as the United States has done with Mexico) to deal with the most important problems in the relationship, including migration, drug trafficking, illegal arms exports, and other criminal activity.

Washington needs to deal more inventively with two issues that are wreaking havoc in the Caribbean Basin. First, no matter how the legal questions are resolved, the United States and the European Union should make sure the resolution of their banana dispute does not leave the economies of the region's smallest and poorest countries in shambles. Second, the United States needs to curb its practice of deporting large numbers of convicted criminals back to their countries of citizenship in the Caribbean and Central America—more than one thousand per year each, for example, to El Salvador, the Dominican Republic, and Jamaica. The deportations have aggravated the region's destructive crime wave, and may emerge as a threat to democratic order in some places. The United States could end up paying a high price in increased drug trafficking and more illegal migration.

Two countries of the Caribbean—Cuba and Haiti—will remain high on the U.S. agenda, and present the same difficult challenges to the new administration that they have to all other administrations in recent memory. There is no easy solution in either case, but it is crucial that they both be addressed squarely, and more through multilateral initiative than unilateral U.S. action.

The situation in Haiti is increasingly desperate. The economy is in ruins. Public institutions barely function. Crime and vio-

lence are commonplace. The hope that parliamentary and presidential elections this year would set the country on a more positive course has been dashed. The country's leadership, having manipulated the results of the congressional elections, now seems ready to abandon all but the most superficial trappings of democracy and move toward an authoritarian populist government. As a result of the country's political degeneration, most foreign assistance—from multilateral as well as bilateral sources—has largely dried up, frustrating prospects of economic recuperation.

The United States has a significant stake in Haiti's political and economic stability. Continued deterioration will increase the prospect of renewed violence and repression in Haiti, set the stage for a new flood of boat people, and create conditions for expanded drug trafficking and other criminal activity—all of which will produce pressure for another U.S. intervention. There is no sure way to avoid any of this, but it is crucial that the new U.S. president, once and for all, end the bickering and recriminations between Democrats and Republicans over Haiti, and build support for a bipartisan policy—one that seeks to work with the OAS to sustain efforts to nudge the Haitian government to respect human rights and democratic procedures and pursue reasonable economic policies. Creative ways must be found to sustain support for health, education, and community development initiatives, which are all desperately needed by Haiti's impoverished population. Progress will take time. Policies must be sustained over many years.

Events over the past two years have paved the way for overhauling U.S. policy toward Cuba. Important, if modest, changes have recently been implemented, and support for a far more extensive shift in policy has expanded sharply within the U.S. business community, in the U.S. Congress (where advocates of change now command a majority in both houses), among the general public, and even within the Cuban-American community. Few now take seriously the argument that the embargo and other U.S. sanctions will hasten the downfall of Fidel Castro, or bring even modest political or economic changes to Cuba. Virtually no one considers Cuba a threat to U.S. security or that of any other country. Indeed, Cuba now participates in a group of countries supporting Colombia's peace negotiations with the guerrillas, and some see Cuba as a potential U.S. ally in the war against drugs.

The next U.S. president should undertake to dismantle the web of restrictive laws and policies that block efforts to reintegrate

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grate Cuba into hemispheric affairs. It is time for the United States to shift to a policy of engagement and dialogue to press the Cuban government to end its repressive practices, restore the rule of law, and stop committing human rights abuses—even if, realistically, dramatic improvements in Cuba's performance in these areas is unlikely.

U.S. policy should be redesigned mainly to increase the prospects that, once the Fidel Castro government is over, Cuba will have a peaceful and successful transition toward democratic politics and market-driven economics. This change would end the United States' own international isolation on the Cuba issue. It would allow Washington to begin cooperating with the governments of Latin America and the Caribbean, as well as with those of Canada, Europe, and Japan—all of whom share the U.S. goal of a peaceful transition to democracy, but resist Washington's uncompromising approach.

### *South America*

Called together by Brazilian President Fernando Henrique Cardoso, the presidents of the 12 nations of South America held their first summit meeting ever in August 2000. The meeting emphasized the common interests of the assembled governments and the benefits of collaboration among them—and it set the stage for closer economic and political ties. The countries agreed to begin negotiations to integrate South America's Mercosur and Andean Community trade groups, to invest heavily in developing transportation and communication links, and to include only democratic governments in future meetings. The summit, however, also underscored the differences among the countries—between the more successful Southern Cone countries (Brazil, Chile, Uruguay, and Argentina) and the deeply troubled nations of the Andean region (Colombia, Ecuador, Peru, and Venezuela).

For some time to come, no country in Latin America outside of Mexico will command greater U.S. policy attention than Colombia. In 2000, the United States approved \$1.3 billion in security assistance to this nation of 40 million people—the most, by far, for any country outside the Middle East. Colombia demands that kind of attention. The world's largest supplier of cocaine, Colombia today is trapped in a bloody guerrilla war and rampant vigilantism. It suffers from intense criminal violence, widespread human rights violations, a distressed economy, and a desperately weakened state. Its population is alienated and

distrustful. Continuing deterioration in Colombia puts the future of the nation's democratic institutions at risk and threatens to spread instability to bordering countries.

As a joint task force of the Inter-American Dialogue and the Council on Foreign Relations recently concluded, U.S. assistance should be directed, first and foremost, to helping Colombians to address their own nation's problems. Current U.S. policy is focused far too narrowly on drug interdiction and eradication, shortchanging both Colombia and the United States. It needs to be revised. The overriding goal of U.S. support must be to bolster government authority and promote national peace efforts, not to fight the U.S. battle against drugs.

President Pastrana, with broad national backing, has moved boldly to engage Colombia's insurgent forces in negotiations, but guerrilla violence and intransigence have stalled the peace process. U.S. support can enhance prospects for peace, reconciliation, and the rule of law, in part by helping to turn Colombia's army into a better-trained and more professional force. This can help level the playing field in Colombia, change the calculations of the guerrillas, and make them more inclined to negotiate seriously. The United States must demand that the Colombian government take decisive action to stop human rights abuses and suppress the country's brutal paramilitary organizations. The U.S. involvement should also do more to help reenergize Colombia's economy—which is vital for the country's longer-term ability to deal with its multiple problems. Washington should, for example, seek to extend to Colombia (and other Andean countries) the benefits of recently approved Caribbean trade legislation. In the long run, expanded exports to the United States will be far more valuable to Colombia than continued aid.

The next administration will have to work to maintain bipartisan support for a continuing commitment to Colombia. It will have to make clear to the American people what the United States has at stake in Colombia, why events in that country are important for democracy across the hemisphere, and how U.S. aid can make a difference. The political support and financial assistance of Latin American and European governments (as well as those of Canada and Japan) are also needed to help Colombia resolve its problems. Many of these countries are suspicious of U.S. motives and troubled by the U.S. emphasis on military aid and by Washington's anti-drug rhetoric. Like some U.S. opponents of military aid to Colombia, several governments fear a Vietnam-style debacle.

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The United States must show that it understands Colombia's problems need to be addressed multilaterally—and that it is prepared to work cooperatively with other countries and to accept a common agenda of building peace and achieving reconciliation in Colombia. Washington must leave no doubt that it supports the peace negotiations of the Colombian government and that U.S. troops will not be used in combat. This is an opportunity to show that the U.S. can respond constructively and sensitively to hemispheric crises.

U.S. policy faces other difficult situations in the Andean region. The politics of Peru, Ecuador, and Venezuela are unsettled—and democracy is at peril in all of them. The United States has an important part to play—but there is little it can do by itself to help in any of the three countries. Multilateral approaches are required in each case.

In Peru, a special OAS mission has assumed a crucial role in guiding negotiations among the country's political forces to set the ground rules for new presidential elections next April. Nothing is now more important than making the electoral process fair and competitive—which must include assurances of a free press and a credible oversight authority. This is where most of the energy of the international community should be focused, but external assistance may also be needed to avoid an economic crisis during this period of political instability. Washington should also join with other governments to make clear to the armed forces that they must stand clear of politics. The threats to democracy in Peru will not be fully resolved by new elections. When a new government comes to power, it will require continued international support from the United States and other nations as it rebuilds its political order.

Venezuela may offer U.S. policy its most difficult test. Under the fiery leadership of Hugo Chavez, the Venezuelan government has openly defied the United States on several critical issues. It has refused to allow U.S. planes to fly over its territory for counter-narcotics activities. Among OPEC members, it has strongly resisted U.S. appeals to increase oil production to ease pressure on prices. It has reasserted claims on more than one-half of neighboring Guyana's territory. In August, President Chavez became the first head of state to disregard UN sanctions and visit Saddam Hussein since the Gulf War. He has publicly and vociferously opposed U.S. policy in Colombia. And he has consistently flaunted his friendship with Fidel Castro, and recently agreed to subsidize petroleum exports to Cuba.

So far, Washington has maintained a cordial and correct rela-



tionship with the Chavez government—and it should maintain that relationship. U.S. authorities should not hesitate to oppose Venezuelan government actions that violate regional norms or U.S. interests, but the United States has nothing to gain from aggressively confronting Venezuela. This will not succeed in changing the behavior of President Chavez; more likely it will provoke him to further challenge U.S. policy. Isolating Chavez or precipitating a downward spiral in U.S.-Venezuelan links will benefit no one. If President Chavez were to disregard Venezuela's constitution and move to impose authoritarian rule, the United States should work to achieve multilateral response through the OAS, involving, in this way, all the governments of the hemisphere.

Brazil's policies and actions will affect U.S. relations with every country in South America. Brazil has always exerted an important influence in regional affairs. That influence has been expanding in recent years as Brazil's economy has shown surprising strength and resilience, as the Mercosur trade group takes on greater economic and political significance, and as the nation consolidates its democratic institutions. Moreover, symbolized by the recent Brasilia meeting of South American presidents, Brazil has been pursuing a more assertive foreign policy—in both regional and global affairs.

There are no deep frictions or disruptive conflicts in U.S.-Brazilian relations today. Indeed, both governments justifiably assert that the relationship has never been better. Yet, some serious differences have emerged. The bilateral agenda is crowded with trade disputes, as U.S. barriers remain high to some of Brazil's most important exports. More contentious, however, are the multilateral issues.

Washington sees Brazil as a potential obstacle to the forging of hemispheric free trade. The United States is concerned that Brasilia seeks to delay negotiation of the FTAA agreement and to weaken its trade-liberalizing aims. Brazilian authorities have made clear that the FTAA is a second-order priority at this stage—of far less significance to Brasilia than strengthening and deepening the Mercosur trade pact with Argentina, Uruguay, and Paraguay (and associate members Bolivia and Chile); forging a South America-wide trade group; and negotiating new global trade agreements through the World Trade Organization.

The U.S. government welcomed Brazil's leadership in the four-nation group that brought peace to the Peru-Ecuador frontier, and has applauded its continuing efforts to avoid a military coup in Paraguay. But Washington is troubled by Brazil's tepid

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support for U.S. policy in Colombia—particularly since the Brazilian view is now shared by most other Latin American governments.

Besides sustaining a profitable and expanding economic relationship, the principal aim of U.S. foreign policy toward Brazil should be to develop sustained cooperation on key regional and international issues. That does not mean that Brazil and the United States have to agree on every issue. It does mean that ample consultation should take place on the full range of issues—global as well as hemispheric—that concern both countries. That consultation should be carried on continuously, not only at times of crisis or just prior to a crucial decision. It also means that Washington should, without sacrificing its basic interests or principles, try to shape the tone and content of its policies in ways that will encourage Brazilian support.

On many of the most important issues in hemispheric affairs, the United States simply will not be able to make much headway without the backing of Brazil. If Brazil and the United States find common ground, free trade in the Americas is inevitable; if they cannot, it is impossible. Similarly, if Brazil and the United States were to agree to pursue broader regional economic coordination, to revitalize the OAS and institutionalize the Summit of the Americas, or to establish a consistent strategy for safeguarding democracy, the chances would be good that agreement could also be reached with the other countries of the hemisphere. Common approaches with Brazil to international challenges—like the WTO negotiations or the problems related to the high price of oil—would also advance U.S. interests. Brazil is not the only hemispheric nation with which the U.S. government should be consulting regularly on regional and international matters. On most issues, Argentina, Canada, and Mexico should also be engaged—and often other countries as well.

### *The Next U.S. President*

The decisions of the next president of the United States will shape the future of inter-American relations for some time to come. This is a moment when responsible and creative U.S. leadership can help resolve many outstanding problems in hemispheric affairs and open an array of new economic opportunities for the United States and every other nation of the Americas.

In the first instance, the next four years will determine the future of free trade in the hemisphere. The outcome of the

ongoing FTAA negotiations will not only determine the course of U.S.-Latin American economic relations. They will also deeply influence the quality of political relations in the Americas. U.S. leadership is needed to take advantage of opportunities for hemispheric economic cooperation.

Second, many Latin American countries are facing deep and pervasive problems for which there are no easy remedies. The relentless violence and deterioration of Colombia demand the most attention. But Peru and Haiti are also intensely troubled, while Ecuador, Venezuela, Nicaragua, Paraguay, and Guatemala are all in difficult straits. Continued deterioration in these countries will produce damaging consequences regionwide. U.S. policies to safeguard and reinforce democracy—if they are implemented multilaterally and command broad regional support—can make a critical difference.

Third, the two largest and most powerful countries of Latin America—Brazil and Mexico—are stronger politically and economically than they have been in a long time, and both have made it plain that they intend to be more assertive in international affairs. The United States has never had a better opportunity to work with Mexico and Brazil, and the region's other major countries—individually and together—to address the main challenges in hemispheric affairs. To proceed, the United States will have to constrain its unilateral impulse, and be willing to identify common approaches and work multilaterally with them and other governments.

The best way for the United States to advance its own interests and values in the hemisphere is by working together with Latin American and Caribbean nations to find solutions to the region's most difficult problems. The United States comes out ahead when it contributes to the social, economic, and political progress of its close neighbors.

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“...the two largest and most powerful countries of Latin America—Brazil and Mexico—are stronger politically and economically than they have been in a long time....”

# Supplemental Comments

## **Bernard Aronson**

I generally subscribe to the thrust of the report, but would offer the following comments:

1. Latin America continues to suffer because of its low savings rate, poor tax collection, underdevelopment of capital markets, and overdependence on commodities for export earnings. The net effect of these factors is that the region is highly dependent on external capital flows to finance its growth and thus highly vulnerable to financial crises elsewhere and even the fluctuation of U.S. interest rates. These core issues must be addressed long-term if the region is going to grow and develop quickly enough in the global economy to begin to address the systemic problems of poverty that confront the hemisphere. Many of these issues can only be faced with continued domestic reforms by nations in the hemisphere itself, but the United States could be far more creative and engaged in helping the hemisphere confront these challenges, particularly the development of functioning capital markets.
2. With regard to the OAS, I agree the United States needs to be more engaged and supportive, but other OAS members also have to make up their mind that they are going to be serious about using the OAS as a multilateral forum to address core challenges in the hemisphere particularly the collective defense of democracy called for by the Santiago Declaration. In recent years, there has been a troubling reversion by too many Latin American nations to the old politics of non-interventionism, which was sadly evident in the failure of the OAS member states to take a strong stand backing the OAS commission which monitored the Peruvian election. If the members of the OAS treat the institution primarily as a mechanism to frustrate U.S. action rather than to act collectively then it will be disingenuous to expect the U.S. to increase its commitment, particularly its financial commitment, to the organization.
3. With regard to Colombia, the United States working with its friends in the hemisphere, Europe, Japan and with the UN and OAS needs to help construct an international support network for the Colombian peace process with the same central and high level importance attached to the peace

processes in the Middle East, Northern Ireland, and in a previous decade to Central America. Moreover, it is crucial that leaders in both the Democratic and Republican parties work to maintain a bipartisan policy towards Colombia rather than allow the domestic politics of “who is soft on drugs” to turn Colombia into a domestic, partisan football.

4. With regard to trade, while the United States has to take seriously hemispheric concerns that U.S. labor and environmental standards are a new form of protectionism, there is an important domestic debate that has to go forward on these issues and the Dialogue should not prejudge exactly what terms might emerge around a new consensus supporting fast track and the FTAA.

#### **Lee Cullum**

As a journalist I cannot endorse this report but I do commend the careful thinking behind it.

#### **Karen DeYoung**

As a practicing journalist who covers U.S. policy, I cannot offer a judgment regarding the report’s recommendations.

#### **Abraham F. Lowenthal**

This is a well-informed, articulate, concise and constructive review of Latin America’s problems and how the new leadership in the U.S. government should approach them.

I am concerned, however, that the report may inadvertently convey the impression that all the hemisphere’s problems are in Latin America, to be responded to by the United States. Much of the hemisphere’s future, in fact, depends on how the United States deals with its own problems: economic, social, institutional and political. Latin Americans are likely to be more affected by how the United States manages its economy, its drug culture, its immigration policy, its police-community relations, and its own issues of governance and accountability than by many U.S. decisions on “Latin American policy.” The behavior of U.S. corporations, trade unions, media, foundations, interest groups, and non-government organizations, in turn, may well affect Latin America more than U.S. government policies do. These aspects of inter-American relations need more attention.

#### **Ambler Moss**

I am pleased with the policy report as written. However, I am disappointed that among the listing of important issues there is

no mention of U.S. policy as it relates to the environment, growth and security. Throughout the Hemisphere, environmental damage has serious effects, ranging from declining fisheries in the Caribbean to reduced availability of fresh water and the effects of deforestation on flooding, among others. There is a foreseeable threat of instability and conflictive relations among countries arising from environmental damage. Attention should be given in the multilateral context to the action items of the sustainable development Summit of Santa Cruz, Bolivia, in 1996.

**Judy Woodruff**

As a journalist, I cannot endorse the specific aspects of this report, but I do concur in the spirit of it.

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**Gonzalo Sánchez de Lozada** was president of Bolivia from 1993 until 1997. He has served as national senator and minister of planning.\*

**Julio María Sanguinetti** was president of Uruguay from 1985 until 1990.\*

**Noemí Sanín** was Colombian minister of foreign relations and served as Colombian ambassador to Venezuela and the United Kingdom. She is a director of the Bank of Bogotá and a member of the president's Advisory Commission on Foreign Relations.

**Jesús Silva-Herzog** was finance minister of Mexico and ambassador to the United States and Spain.\*

**Roberto Teixeira da Costa** is vice chairman of the board of Banco Sul America and chairman of the Latin America Business Council (CEAL). He was founder of the Brazilian Securities and Exchange Commission.\*

**Celina Vargas do Amaral Peixoto** is director of SEBRAE/RJ, a small business agency in Rio de Janeiro, and a member of the president's Commission of Public Ethics and the Commission on Global Governance. She was director of the National Archives of Brazil and the Getulio Vargas Foundation.\*

**Mario Vargas Llosa** is a distinguished Peruvian novelist. He was candidate for president of Peru in 1990.\*

**Elena Viyella de Paliza** is president of Grupo Inter Química in the Dominican Republic.\*

# Members of the Inter-American Dialogue

FROM THE UNITED STATES  
ATTENDING THE JUNE 2000 SOL M. LINOWITZ FORUM

**Bernard Aronson** was assistant secretary of state for inter-American affairs. He is currently managing partner of Acon Investments.\*

**Michael Barnes** is president of Handgun Control, Inc. and the Center to Prevent Handgun Violence. He was a member of the U.S. Congress (D-MD) and chaired the Subcommittee on Western Hemisphere Affairs.\*

**Alan Batkin** is vice chairman of Kissinger Associates.\*

**Peter D. Bell** is president of CARE USA, the international development and relief agency.\*

**Jimmy Carter** was president of the United States from 1977 until 1981 and governor of Georgia from 1971 until 1975. He is chairman of the board of the Carter Center in Atlanta, and chairman of the Carter Center's Council of Presidents and Prime Ministers of the Americas.\*

**A.W. Clausen** was president of the World Bank, and chairman and CEO of BankAmerica Corporation and Bank of America.\*

**Robert Crandall** was chairman and CEO of American Airlines.

**Lee Cullum** is a columnist for the *Dallas Morning News* and a regular commentator on "The NewsHour with Jim Lehrer." \*

**Drew S. Days III** is the Alfred M. Rankin Professor of Law at Yale University. He served as solicitor general of the United States and as assistant attorney general for civil rights.\*

**Karen DeYoung** is associate editor at *The Washington Post*.\*

**Jorge I. Domínguez** is Clarence Dillon Professor of International Relations, and director of the Weatherhead Center for International Affairs at Harvard University.\*

**Peggy Dulany** is founder and chair of the Synergos Institute.\*

**Walter Y. Elisha** is the retired chairman and chief executive officer of Springs Industries and a former member of the President's Advisory Committee for Trade Policy and Negotiations.\*

**Nancy Englander** is a senior vice president of Capital International. She is president and director of the Emerging Markets Growth Fund.\*

**Maurice A. Ferré** served twelve years as mayor of Miami and was vice chairman of the Metropolitan Dade County Commission.

**Albert Fishlow** is senior economist at Violy, Byorum & Partners, and visiting professor at Yale University's School of Management. He was professor of economics and dean of international and area studies at the University of California at Berkeley.\*

**William L. Friend** is chairman of the Institute of the Americas and of the University of California's President's Council on the National Laboratories. He retired from Bechtel Group Inc. as executive vice president and director.\*

**Jack Fuller** is president of Tribune Publishing Company.

**John R. Galvin** is dean of the Fletcher School of Law and Diplomacy at Tufts University. He served as commander of NATO's military forces in Europe, and as commander-in-chief of the U.S. Southern Command.\*

**David Hamburg** was president of the Carnegie Corporation of New York, president and chairman of the board of the American Association for the Advancement of Science, and president of the Institute of Medicine of the National Academy of Sciences.\*

**Lee H. Hamilton** is director of the Woodrow Wilson International Center for Scholars in Washington, and the Center on Congress at Indiana University. He was a member of the U.S. Congress (D-IN) from 1965 until 1999, and chaired the House International Relations Committee.\*

**Antonia Hernández** is president and general counsel of the Mexican-American Legal Defense and Education Fund in Los Angeles.\*

**Carla A. Hills** served as U.S. Trade Representative in the Bush Administration and as secretary of housing and urban development in the Ford Administration. She is currently chair and CEO of Hills & Company, an international consulting firm which advises U.S. companies on their trade and investment interests abroad.\*

**Alberto Ibarguén** is publisher of *The Miami Herald* and chairman of The Miami Herald Publishing Co. He founded the Puerto Rican Center for Justice.

**David Lawrence, Jr.** was publisher of *The Miami Herald*, and president of the American Society of Newspaper Editors and the Inter-American Press Association. He chaired the Miami arrangements for the 1994 Summit of the Americas, and is now president of the Early Childhood Initiative Foundation.\*

**Sol M. Linowitz** was founding co-chairman of the Inter-American Dialogue. He is honorary chairman of the Academy of Educational Development. He has served as chairman of the Xerox Corporation, representative to the Middle East peace negotiations, ambassador to the Organization of American States, and co-negotiator of the Panama Canal Treaties.\*

**Abraham F. Lowenthal** is president of the Pacific Council on International Policy and professor of international relations at the University of Southern California. He was the founding director of the Inter-American Dialogue.\*

**Mónica Lozano** is president and chief operating officer of *La Opinión*, the largest Spanish-language daily newspaper in the United States.\*

**Jessica T. Mathews** is president of the Carnegie Endowment for International Peace. She was the director of the Office of Global Issues on the National Security Council, and deputy to the undersecretary of state for global affairs.\*

**Thomas F. McLarty III** was President Clinton's special envoy to Latin America and chief of staff. He is now vice chairman of Kissinger McLarty Associates.\*

**Peter McPherson** is president of Michigan State University. He was deputy secretary of the U.S. Treasury and administrator of USAID.\*

**Marc H. Morial** is mayor of New Orleans, and member of the board of the U.S. Conference of Mayors.

**Ambler H. Moss, Jr.** was U.S. ambassador to Panama. He is now the director of the Dante B. Fascell North-South Center, professor of international studies at the University of Miami, and counsel to the law firm of Greenberg Traurig in Miami.\*

**Diana Natalicio** is president of the University of Texas at El Paso. She is a member of the U.S.-Mexico Commission for Educational and Cultural Exchange.\*

**Luis Nogales** is senior advisor to Deutsche Bank, DB Capital Partners Private Equity Group and president of Nogales Partners, an acquisition firm. He was president of UNIVISION and CEO of United Press International.\*

**John R. Petty** is chairman of TECSEC and Federal National Services. He was chairman and CEO of Marine Midland Bank; chairman of the InterAmerican Development Bank High Level Review Committee; and assistant secretary for international affairs of the U.S. Treasury.\*

**William K. Reilly** is founder, president and CEO of Aqua International Partners. He was administrator of the Environmental Protection Agency.\*



**Rozanne Ridgway** was assistant secretary of state for European and Canadian affairs. She is a member of a variety of corporate and non-profit boards and chairs the Baltic-American Enterprise Fund.\*

**George F. Russell, Jr.** is chairman of Frank Russell Company, an investment management and pension fund consulting firm. He is co-chair of the EastWest Institute and chairman of the National Bureau of Asian Research. He was chairman of the Seattle branch of the Federal Reserve Bank of San Francisco.

**Janet C. Rzewnicki** was four-term treasurer of the state of Delaware. She is now vice president of Redwood Securities in New York.\*

**Henry B. Schacht** is retired chairman and CEO of Lucent Technologies. He was a director of CBS and president and CEO of Cummins Engine Company.\*

**Brent Scowcroft** is president of the Forum for International Policy. He served as national security adviser to President Bush.\*

**Paula Stern** was chairwoman of the U.S. International Trade Commission. She is now president of The Stern Group Inc., a Washington-based international trade and economic consulting firm. She is a member of the President's Advisory Committee for Trade Policy and Negotiations.\*

**Bob Taft** is governor of Ohio. He was secretary of state of Ohio and member of the Ohio House of Representatives.\*

**Tommy G. Thompson** is governor of the State of Wisconsin. He served as chairperson of the National Governors Association.\*

**Kathleen Kennedy Townsend** is Maryland's first woman lieutenant governor. She formerly served as deputy assistant attorney general in the U.S. Department of Justice.

**Viron Peter Vaky** was assistant secretary of state for inter-American affairs and ambassador to Costa Rica, Colombia, and Venezuela. He is a senior fellow at the Inter-American Dialogue.\*

**David R. Whitwam** is chairman and chief executive officer of the Whirlpool Corporation. He also serves on the Business Roundtable's Policy Committee and Education Task Force, and the Industry Policy Advisory Committee of the U.S. Department of Commerce.\*

**Judy Woodruff** is CNN's prime anchor and senior correspondent. She was chief Washington correspondent for "MacNeil/Lehrer NewsHour" and anchor of "Frontline with Judy Woodruff."

\* Signers of the report

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