

January 13, 1992

## AN AGENDA FOR LATIN AMERICA AND THE CARIBBEAN

*One of the strengths of any democracy is the continuity it allows our governments as our leaders change. . . . I want you to be assured that I intend to build on the relationships of the past four years and make the next four years even stronger in their cooperation for our mutual commitment to democracy and economic progress.*

Bill Clinton

Address to the Rio Group of Latin American Leaders  
December 1, 1992, Buenos Aires, Argentina

### EXECUTIVE SUMMARY

President-elect Clinton, during your December 1 telephone conversation with Argentine President Carlos Saul Menem and other Latin American leaders, you stated that you “look forward to a new era and spirit of cooperation to promote free markets and to expand and strengthen our economic ties on mutually beneficial terms.” You also told the Latin American presidents that your Administration will “expand opportunities for trade and investment” with the region, as well as “support the North American Free Trade Agreement (NAFTA)” and other hemispheric free trade pacts.<sup>1</sup> By expressing your support for free trade and political liberty in the Americas, you have pledged yourself to continue the successful policies of the Reagan and Bush Administrations. For example, your support for George Bush’s Enterprise for the Americas Initiative (EAI) is welcome. The EAI promises to create a vast free trade zone in the Western Hemisphere. Such policies not only will help the United States economy grow, but will also prove to Latin American leaders that you have a strong commitment to the region.<sup>2</sup>

Several statements you have made, however, contradict your public commitment to promoting free trade and free markets in Latin America. During an October 4 campaign speech in Raleigh, North Carolina, for example, you promised to “seek to address the deficiencies of the [NAFTA] through supplemental agreements with the Canadian and Mexican governments.” You also said that you “will not sign legislation implementing NAFTA” until additional labor and environmental agreements are reached.

<sup>1</sup> “President-elect Clinton Addresses Rio Group: Summary of Remarks,” Press Release, Office of the President-elect and Vice President-elect, December 1, 1992.

<sup>2</sup> For more information on U.S. policy toward Latin America and the Caribbean, see Michael G. Wilson, “Toward the Next American Century: Building a New Partnership with Latin America,” Heritage Foundation *Backgrounder* No. 877, February 4, 1992.

If you review the NAFTA agreement closely, you will find that the free trade pact not only already contains sufficiently tough provisions to protect the environment and workers' rights, but also will create job retraining programs for workers who lose their jobs as a result of the agreement. What NAFTA needs is strong presidential support, not parallel talks to fine-tune an already negotiated free trade agreement. After Russia, Mexico is possibly the most important country to U.S. foreign policy. By ratifying the current free trade pact, your Administration can help cement improved bilateral ties, bolster North America's economic competitiveness, as well as accomplish a major foreign policy victory.

With the end of the Cold War, however, you may be tempted to de-emphasize foreign policy, especially in regions like Latin America. This would be a big mistake. Democracy is on the march in Latin America, and it would be a pity to pull back U.S. involvement at a time when it is most needed. Relations with the region are at an all-time high and would be severely damaged if your Administration turned its back on Latin America. As a neighbor and the region's natural trading partner, the U.S. would lose, too, if Washington's disengagement stalled economic reform and unleashed political instability in Latin America.

With the defeat of communism, the U.S. has won a major victory for liberty, not only in Latin America, but across the globe. Your Administration must build on and consolidate such victories. The advances made in our hemisphere over the last decade are yours to lose. To ensure that they are not lost, you must take action. You should:

- Action 1: Pledge strong support for the North American Free Trade Agreement and for continued close ties with Mexico.**
- Action 2: Announce your intention to negotiate a free trade agreement with Chile.**
- Action 3: Ask Congress to extend "fast track" trade negotiating authority.**
- Action 4: Promote the Enterprise for the Americas Initiative, or a similar program of spreading free trade in the Western Hemisphere.**
- Action 5: Lift the U.S. embargo on Haiti, help negotiate a political compromise between supporters of ousted Haitian President Jean-Bertrand Aristide and the current government in Port-au-Prince, and spur free market reforms in Haiti.**
- Action 6: Tighten the embargo on Cuba and encourage regional democracies to pressure Havana to reform its political system.**
- Action 7: Remove the remaining sanctions on the government in Peru.**
- Action 8: Demand that Nicaragua reform its political and economic systems. This should include stricter conditions on the disbursement of U.S. aid and demands for military, police, and judicial reforms.**
- Action 9: Continue to fight Latin America's drug cartels and terrorist groups.**

## **U.S. INTERESTS IN LATIN AMERICA**

Ties between the United States and Latin America are better today than at any point in history. Democratic governments and free markets are taking hold throughout the hemisphere. Ronald Reagan and George Bush achieved historic results in promoting U.S. interests in the region and in advancing cooperative ties with Latin American governments. Reagan helped defeat the expansion of communism in the hemisphere, while Bush opened up the prospects for free trade with Mexico and the rest of Latin America. For your Latin America agenda to suc-

ceed, you must build upon the Reagan-Bush legacy and accomplishments. You also must avoid repeating the mistakes of Jimmy Carter, such as championing human rights issues at the expense of American security and accommodating leftist revolutionary groups.

As you seem to understand, the end of the Cold War has forced Washington to rethink its policy toward Latin America and the Caribbean, and redefine its interests in the region. While U.S. policy toward the Americas used to focus on preventing the spread of communism, today it should place a higher priority on advancing free market reforms, free trade, and political liberty. The threat from outside powers to American interests in the hemisphere has been greatly reduced, at least for the foreseeable future. Thus, Washington has a historic opportunity to help institutionalize the democratic and free market gains made over the last decade in the region—a job that President Bush planned to make a foreign policy priority if he had won a second term.

There is a need for action, Mr. Clinton. Many of the security, economic, political, and human rights advances in the region are weak and reversible. During previous speeches, you have correctly identified several potential trouble spots in the Americas, including Brazil, Colombia, Cuba, Haiti, Nicaragua, Peru, and Venezuela. America must remain vigilant against the return of tyranny and political instability in these countries. Moreover, U.S. economic and geopolitical interests continue to be challenged every day by the threats of drug trafficking and terrorism in Latin America. The U.S. cannot afford to ignore and protect its interests in the Western Hemisphere if domestic problems are to be solved.

President-elect Clinton, you campaigned against President Bush by pledging to restore economic growth, create jobs, and make the U.S. more competitive. You can make good on this pledge only if you advance free markets and democracy in Latin American and the Caribbean. By signing free trade pacts with governments from this region, you will not only help these countries carry out needed reforms, but also expand U.S. markets and create jobs at home. During your recent conversation with Argentinean President Carlos Menem, you were correct to say that “a strong, cooperative relationship with the nations of this hemisphere is crucial to the well-being of the U.S.”

## SPURRING PROSPERITY AND STABILITY IN LATIN AMERICA

To build on past successes, and to promote prosperity and democracy throughout the Americas, you must take action now. You should:

### **Action 1: Pledge your strong support for the North American Free Trade Agreement and for continued close ties with Mexico.**

Your growing commitment to free trade with Mexico is encouraging. This was most recently demonstrated during your January 8 meeting in Austin, Texas, with President Carlos Salinas de Gortari—the first foreign leader with whom you have met. Moreover, during a speech in Washington in November you stated that: “If we can make this [NAFTA] agreement work with Canada and Mexico, then we can reach down into the other market-oriented economies of Central and South America to expand even further....It will provide more jobs through exports. It will challenge us to become more competitive. It will certainly help Mexico....A wealthier Mexico will buy more American products. As incomes rise there, that will reduce pressure for immigration across the border into the United States.”<sup>3</sup>

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3 Remarks by Governor Bill Clinton before the Bipartisan Congressional Leadership Press Conference, November 19, 1992.

This statement is correct. However, other statements you have made raise questions about your commitment to the NAFTA and to free trade with Latin America. For example, during a September 10 interview in Little Rock, Arkansas, you criticized NAFTA because “there is nothing in the agreement about worker retraining and very little about environmental clean-up.” You also have stated on several occasions that you want to protect America’s manufacturing base from foreign imports and competition, and have worried the Salinas Administration and NAFTA supporters in the U.S. by calling for the negotiation of “supplemental agreements.”<sup>4</sup> Such negotiations would only slow the ratification process in Congress and force the Mexican government to seek new concessions from U.S. negotiators. The result would be weakened support for the pact in both countries.

Instead of bottling up NAFTA in Congress, you should announce your intention to enter into the already negotiated pact and reconsider your support for parallel negotiations on labor and environmental issues. These talks are unnecessary because the NAFTA already has sufficiently tough provisions. In fact, such talks would only delay or complicate the free trade pact’s passage in Congress. The White House’s strong support for NAFTA in Congress is badly needed to assure that the historic pact becomes law as soon as possible. The appointment of Senator Lloyd Bentsen, a strong advocate of NAFTA, as Secretary of the Treasury is good news for the agreement, but your personal involvement will be crucial to its passage.

As you yourself have said, Mr. Clinton, the NAFTA is vital to American interests. Among other benefits, the NAFTA will:

- ✓ Create the world’s largest, most prosperous, and efficient market with some 360 million people and over \$6 trillion in economic output;
- ✓ Give immediate duty-free treatment to about half of U.S. exports to Mexico and ultimately lead to zero duties on virtually all U.S. exports to Canada and Mexico;
- ✓ Eliminate such non-tariff trade barriers as quotas and import licenses;
- ✓ Open the \$146 billion Mexican services market to U.S. firms, including banking, securities, insurance, and transportation companies;
- ✓ Open the rapidly growing Mexican auto market to American companies;
- ✓ Result in a net gain of at least 175,000 new American jobs, most of them in manufacturing;
- ✓ Increase U.S. economic growth by a projected \$35 billion in the next decade;
- ✓ Consolidate Salinas’s free market revolution in Mexico, while strengthening U.S. ties with Mexico and other Latin American countries.<sup>5</sup>

**Action 2: Announce your intention to negotiate a free trade agreement (FTA) with Chile.**

Now that free trade talks have been concluded with Mexico and Canada, you should uphold President Bush’s May 1992 pledge to Chilean President Patricio Aylwin and begin FTA talks with Santiago as soon as possible. Washington and Santiago signed a free trade framework agreement on October 1, 1990, the first step in negotiating a U.S.-Chile FTA. The accord established a joint U.S.-Chile Council on Trade and Investment to monitor bilateral economic

<sup>4</sup> See The Heritage Foundation’s *Mexico Watch*, No. 30, October 1992.

<sup>5</sup> Speech by The Honorable Barbara Hackman Franklin, U.S. Secretary of Commerce, The Heritage Foundation, December 8, 1992.

ties to explore ways to open markets in both nations. During the November 19 Bipartisan Congressional Leadership Press Conference on Capitol Hill, you stated that: "I think that a major part of our economic future rests in building up a strong two-way trade with Latin America....I hope we can get a trade agreement with Chile. I'm [also] very encouraged by what's going on in Argentina now."<sup>6</sup>

Mr. Clinton, an FTA with Chile is a good idea for several reasons. They are:

**Reason #1:** Chile's economy is one of the most open and advanced in Latin America and would be the easiest with which to negotiate a free trade pact.

**Reason #2:** Chile's return to democracy in 1989 should be rewarded and strengthened, and Chile's long-term economic and political stability would be promoted.

**Reason #3:** Hemispheric free trade would be advanced as other countries in Latin America are encouraged to follow Chile's democratic and free market model.

**Reason #4:** There is little opposition from U.S. labor unions, farmers, and environmentalists because there would be no net job dislocation in the U.S. as a result of free trade with Chile.

**Reason #5:** The two economies are complementary, as are their growing seasons.

**Reason #6:** New investment opportunities for U.S. companies in Chile would be created in mining, financial services, agriculture, forestry, and telecommunications. By removing trade barriers and restrictions on investment, an FTA would facilitate American investment in Chile.

You have pledged on numerous occasions "to ensure continuity" in U.S. policy toward the Americas. You can make good on this pledge by upholding America's promise of free trade with Chile. As you are aware, the U.S. has also discussed the prospects of free trade with such countries as Argentina, Colombia, Costa Rica, and Venezuela. You should welcome the opportunity to enter into FTAs with these countries as well, announcing that the U.S. would be willing to begin negotiations with them as soon as possible.

**Action 3: Ask Congress to extend "fast track" trade negotiating authority.**

One of the first acts during your presidential "honeymoon" should be to request that Congress extend the fast track trade negotiating authority of the President. Due to expire on May 31, fast track authority should be extended for another two years. An extension of fast track, which has been used by Presidents since 1974, is essential for negotiating multilateral and bilateral free trade pacts. Fast track negotiating authority is vital because it allows the White House to negotiate trade pacts without adding the many congressional amendments that would almost certainly kill most trade agreements. Without it, an FTA with Chile or any other country would be virtually impossible, as would be the successful completion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks.

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6 *Ibid.*

**Action 4: Declare your support for the Enterprise for the Americas Initiative, or a similar program of spreading free trade in the Western Hemisphere.**

George Bush announced his EAI on June 27, 1990. It is the most comprehensive U.S. program ever proposed for Latin America. It seeks to create a free trade zone throughout the Western Hemisphere, spur investment in the region, lower the burden of Latin American debt, and develop free market solutions to protect the region's environment. These goals are not only good for U.S. neighbors, but will also help spur economic growth at home.

Two weeks after your election, Mr. Clinton, you demonstrated that you understood Latin America's economic importance to the U.S. You said: "...a major part of our economic future rests in building up strong two-way trade with Latin America, which requires Latin America to resume growth rates at more or less the level they were in the mid-1970s. If they were there today, our trade deficit would be about 20 percent lower, and our unemployment would be lower in America."<sup>7</sup>

When Latin American economies are healthy and growing, the U.S. economy directly benefits from increased exports and the jobs they create. For example:

- ✓ Nearly 70 percent of U.S. economic growth since 1988 comes from exports.
- ✓ One in seven dollars of U.S. exports now go to Latin America and the Caribbean.
- ✓ U.S. exports to Latin America and the Caribbean grew 80 percent over the past four years, and first quarter U.S. exports to the region in 1992 surged more than 32 percent over first quarter levels of 1991.
- ✓ U.S. businesses are competitive in Latin America, accounting for 57 percent of the region's imports from industrialized countries, as compared with 29 percent from Europe and 11 percent from Japan.
- ✓ The U.S. had a trade surplus with the region last year of \$886 million.<sup>8</sup>

Early in your Presidency, Mr. Clinton, you should hold an Inter-American summit meeting with the key leaders of the region to map out a course of action. Your goal should be to demonstrate support for the EAI, or a similar program of promoting trade with Latin America. Such a summit would help you develop personal ties to the Latin and Caribbean leaders and better familiarize yourself with the region.

**Action 5: Lift the U.S. embargo on Haiti, help negotiate a political compromise between supporters of ousted Haitian President Jean-Bertrand Aristide and the current government in Port-au-Prince, and spur free market reforms in Haiti.**

Haiti will be one of the first foreign policy problems you will face. Located just 600 miles from the U.S., Haiti's economic chaos, violence, and political instability threaten to unleash a wave of up to 500,000 refugees to U.S. shores, dwarfing the size of the 1980 Mariel boat lift from Cuba. Your statements on Haiti, however, are troubling. You have vowed on several occasions to rescind Bush's executive order to turn back Haitian refugees at sea. You also have called for the unequivocal return of Jean-Bertrand Aristide as Haiti's president.

<sup>7</sup> *Ibid.*

<sup>8</sup> "The Promise of Hemispheric Integration: Growth and Opportunity for Americans—North and South," Remarks by Assistant Secretary of Treasury for International Affairs Olin Wethington, *Treasury News*, October 28, 1992.

Aristide was ousted in September 1991 by the Haitian military. This immediately prompted the U.S. and the members of the Organization of American States (OAS) to place an embargo on Haiti, curtailing trade with Port-au-Prince and limiting financial assistance to humanitarian aid. It also froze most of the Haitian government's financial assets outside of the country.

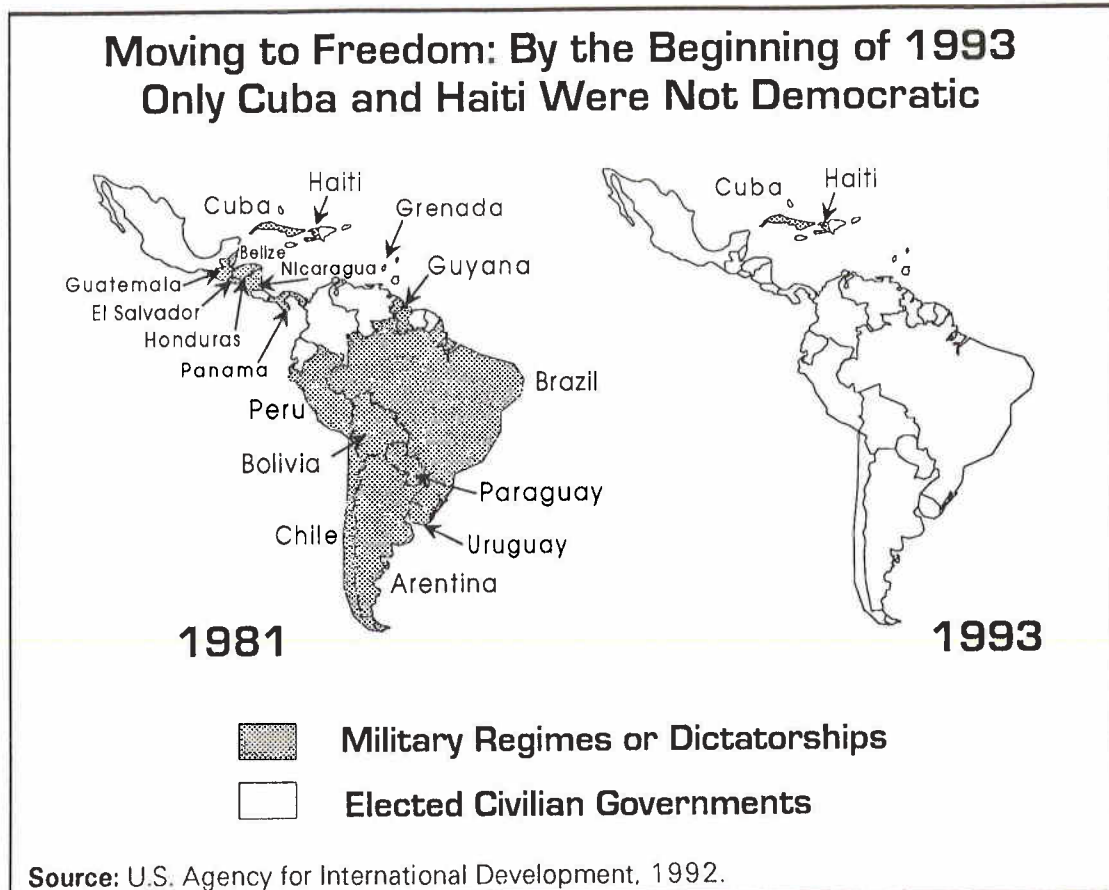
There are many problems with your proposed policies toward Haiti. First, most Haitian "boat people" are economic, not political, refugees. By stating that you plan to reverse the Bush policy, you could set the stage for this nation's largest refugee crisis in recent history. Since Bush's order to return Haitian boat people, the flow of refugees has slowed to a trickle. However, U.S. intelligence sources confirm that following your statements on the issue, at least 1,000 boats have been constructed in Haiti, with hundreds of thousands of Haitians ready to take advantage of your unintended encouragement. This would create untold economic and social problems for Florida, as well as hamper U.S. Coast Guard operations in the Caribbean.

Your second problem will be the fate of Aristide. There are many reasons why Aristide should not be reinstated as Haiti's president. Four of the most obvious are:

- Reason #1:** He condoned and even ordered the murders of and attacks against political opponents in Haiti.
- Reason #2:** There is mounting evidence that close Aristide associates, and possibly even Aristide himself, are involved in drug trafficking.
- Reason #3:** Opposition to Aristide is found not only in the military and far right, but spreads throughout Haiti's business community, the political center, and even parts of the far left.
- Reason #4:** The current government headed by Prime Minister Marc Bazin, while supported by the military, is not a military regime. It is a civilian-led transitional government willing to negotiate a democratic solution to Haiti's latest crisis. You should consider negotiating with this government an agreement to hold new elections.

Haiti is a policy dilemma that splits your party. To provide leadership, you need to make a firm statement on this difficult issue prior to taking office. Then you should:

- ✓ Lift the embargo on Haiti. It is only worsening the economic crisis, hurting the very poor, increasing the threat of refugees, and damaging U.S. business interests;
- ✓ Uphold Bush's order that returns Haitian economic refugees to their country;
- ✓ Appoint a Special Envoy to Haiti to help negotiate a political compromise between Haiti's various political and military factions;
- ✓ Acknowledge the fact that Aristide will never be able to return to Haiti as president and support his impeachment on the grounds that he has violated international law and Haiti's constitution;
- ✓ Work closely with the Caribbean community and the Bazin government to organize new elections and develop a plan for emergency relief, economic reform, and downsizing and professionalization of Haiti's armed forces.



**Action 6: Tighten the embargo on Cuba and encourage regional democracies to pressure Havana to reform its political system.**

With the termination of Russian aid, Cuba today is on the verge of liberation. Your support for the Cuba Democracy Act of 1992, which tightens the U.S. embargo against the communist dictatorship of Fidel Castro, was welcome and will help assure that Cuba is liberated. By not giving in to the left wing of your party, you will help assure that political and economic freedom comes to Cuba sooner rather than later. However, your Administration also should begin drawing up plans for a post-Castro Cuba. Your goal should be to help Havana's new democratic leaders demilitarize Cuba's massive armed forces, build a free market economy, respect human rights, and bring Cuba into the NAFTA.

**Action 7: Remove the remaining sanctions on the government in Peru.**

Following President Alberto Fujimori's suspension of Peru's Congress and declaration of emergency powers last April, Washington reacted by placing economic and military assistance sanctions on Lima. These, however, should be lifted. The reason: Peru held congressional elections on November 22, thereby setting the stage for a full return to democracy.

Although the U.S. cannot countenance the overthrow of democratic governments, its interests are better served by encouraging governments toward reform than by isolating them. There is evidence that progress is being made. Besides holding elections, Fujimori also recently captured Abimael Guzman, the leader of the Shining Path, Peru's fanatical terrorist revolutionary movement that is responsible for approximately 25,000 deaths. Fujimori has also cracked down on the drug trade, mounted a full-scale assault against terrorism, and worked to improve human rights conditions by purging military and police officials involved in abuses. Moreover, his gov-



ernment has launched a vigorous free market revolution that enjoys the support of approximately 70 percent of the people, according to recent public opinion polls taken in Peru.<sup>9</sup>

Mr. Clinton, without U.S. aid and assistance, Fujimori's reforms could fail, and Washington could be faced with another Cambodia—only this time it would be in the Western Hemisphere.

**Action 8: Demand that Nicaragua reform its political and economic systems.**

Despite its transition from a communist dictatorship to democracy, Nicaragua is still plagued by political violence, government gridlock, and economic malaise. President Violeta Chamorro's stunning February 1990 election victory over the communist Sandinistas gave the U.S. and the Nicaraguan people hope that democracy, the rule of law, and economic freedom would flourish in this long-troubled Central American country. Nevertheless, the Chamorro government has failed to take advantage of its mandate. It has allowed the Sandinista party and their representatives in the armed forces and police to "rule from below," as former Nicaraguan dictator Daniel Ortega promised after his electoral defeat. The Democratic Resistance members, otherwise known as the "Contras," continue to be assassinated by Sandinista militants. Moreover, genuine democratic reforms have been placed on hold, U.S. aid is misspent or stolen, and General Humberto Ortega, the head of the army, continues to wield enormous political power behind the scenes.

The Bush Administration has been very generous and supportive of the Chamorro government. However, because of the lack of progress in political and economic reforms, some \$104 million in U.S. aid was frozen last June by Congress—a move cautiously supported by the State Department. In a sudden reversal of its support for the aid freeze, however, the Bush Administration released \$54 million on December 3 to "sustain Nicaragua economic stabilization program and preserve gains made in controlling inflation and normalizing Nicaragua's relations with the international financial institutions." Some of the assistance also will be used to "support human rights organizations and to promote democratic reforms."

President-elect Clinton, it will be your Administration's responsibility to verify that U.S. aid is properly used and that specific targets of reform are met. If not, then assistance should once again be suspended. In addition, your Administration should:

- ✓ Press the Chamorro government to reduce the size of the Nicaraguan military. Also such senior Sandinista officers as General Ortega should be immediately retired;
- ✓ Demand a thorough reform of the Sandinista-controlled police by replacing its officer corps and helping retrain its personnel;
- ✓ Remove Sandinista and corrupt judges from the supreme and lower courts;
- ✓ Insist on thorough investigations into human rights abuses. For example, those guilty in the killings of former Contra leader Enrique Bermudez and Jean Paul Genie—an unarmed sixteen-year-old youth—should be immediately brought to trial and sentenced;

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<sup>9</sup> Felipe Ortiz de Zevallos, "You Can Say a Lot About Peru; But it Sure Ain't Boring," *The Wall Street Journal*, November 20, 1992, p. A15.

- ✓ Refrain from accommodating the Sandinistas, as many in the U.S. Democratic party have advocated over the years. Many congressional members of your party actively fought throughout the 1980s against aid for the freedom fighters and some even visited Managua to express their support for the Ortega regime;
- ✓ Support free market reforms in Nicaragua, especially the respect for private property, by conditioning U.S. aid on free market reforms and insisting that assistance increasingly be given to the private sector.

Progress on these and other goals should be reviewed every quarter. If the Nicaraguan government fails to meet agreed targets for reform, then U.S. assistance should be terminated at once. The lessons of the past three years demonstrate that Washington must develop a tough and well-defined policy toward Managua. Otherwise, your Administration may face the revival of an unnecessary civil war in Nicaragua.

### **Action 9: Continue to fight Latin America's drug cartels and terrorist groups.**

During the presidential campaign, you stated on several occasions that you would cut back on drug interdiction and eradication efforts overseas, and place more emphasis on drug treatment and prevention programs at home. Clearly, the international drug war cannot be won without reducing demand here in the U.S. However, it also cannot be won unless Americans work closely with those countries, including Bolivia, Colombia, Mexico, and Peru, where illegal drugs are grown and where the drug cartels base their operations. The Bush Administration's anti-drug efforts in these countries are paying off. For example, Mexico, with the assistance of the U.S., has seized more drugs, arrested more traffickers, and eradicated more drug crops over the past four years than in its entire history. Progress has been more limited in the Andean region because of the escalating threat of terrorism, regional political problems, and because U.S. assistance to Peru has been temporarily suspended.

As you know, Mr. Clinton, drug trafficking, and the terrorism that accompanies it, is a direct security, economic, and social threat to the U.S. It also undermines political stability and economic growth in Latin America. While it is important to dedicate resources to drug prevention, treatment, and education at home, it is equally important that the U.S. assist its neighbors in defeating the threat at its source. Only with such a two-pronged attack can America ever hope to win the war on drugs.

Consequently, during the first year of your Presidency, you should convene an inter-American drug summit to explore new areas of cooperation and to reassure Latin American governments that Washington's assistance and support will be forthcoming.

## **CONCLUSION**

President-elect Clinton, Latin America is more important to the U.S. today than ever before. A free market and democratic revolution has swept across the region, opening new markets to American goods and fostering an unprecedented climate of political stability. As a result, U.S.-Latin American relations are today better than at any point in history.

The end of the Cold War allows the U.S. the luxury to focus more attention and resources on developing an inter-American community based upon political freedom, economic prosperity, and respect for human rights. Now that countries like Argentina, Chile, Mexico, and Venezuela have the confidence to seek free trade agreements with the U.S., your Administration should press ahead in negotiating these agreements. Such agreements would fortify the economic and political gains already made in the Americas, as well as build a strong foundation for tackling such problems as narcotics trafficking, terrorism, environmental destruction, mili-

tary coups, and human rights abuses. Because of improved relations with the region and a new spirit of cooperation, your Administration can build on the successes of the Reagan and Bush Administrations and help develop the first fully democratic and free market hemisphere.

The window of opportunity, however, is limited. Indifference, inaction or a return of protectionism could result in a setback for free markets, democracy, and U.S. security interests in the region. Fortunately, however, you already have sent the region's leaders several positive signals. Your decision to address the Rio Group meeting last December, your support for NAFTA and additional free trade pacts, and your meeting with Mexican President Salinas last week all demonstrate a strong commitment. It is now vital that you follow through on what is clearly a good beginning.

Michael G. Wilson  
Senior Policy Analyst

