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Clinton's Latin America Policy: A Legacy of Missed Opportunities

John Sweeney

The second Summit of the Americas, held in Santiago, Chile, on April 18–19, 1998, showcased how much influence and leadership the United States has lost throughout Latin America during the Administration of President Bill Clinton. His attendance at the summit without fast-track trade negotiating authority was symptomatic of the creeping paralysis in U.S. trade policy that has damaged U.S. relations with Latin America since the collapse of the Mexican peso in December 1994. Many Latin American governments today fear that President Clinton has given up on the region. Their concern may be justified.

The Clinton Administration's missteps in Latin America constitute a legacy of missed opportunities. Since 1994, for example, President Clinton has missed the opportunity to:

- Expand the North American Free Trade Agreement (NAFTA) to Chile. In December 1994, President Clinton pledged that Chile would become NAFTA's fourth member. At the Santiago summit, however, President Clinton and Chilean President Eduardo Frei agreed to abandon the expansion effort.
- Set the structure and pace of the negotiations to create a Free Trade Area of the Americas (FTAA) by 2005. Since 1994, the United States had sought accelerated negotiations with NAFTA as the benchmark trade agreement. In Santiago, Brazil succeeded in imposing a "go-slow" timetable on the FTAA negotiations and became (with the United States) an officially designated "co-leader" of the negotiations.
- Include Caribbean and Central American democracies in NAFTA. Fast-track authority is not needed to upgrade the existing trade agreement between the United States and the democracies of the Caribbean Basin Initiative (CBI). The Clinton Administration, however, never has made a strong push in Congress to win NAFTA trading parity for these countries.
- Create a real democracy in Haiti. After the United States spent over $2.8 billion to restore

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democracy in Haiti, the island is bankrupt economically and unstable politically.

- End Fidel Castro's communist regime in Cuba. In 1993, Castro was isolated internationally, and the United States was in a position to weaken Castro's regime in Cuba by tightening the trade embargo. Today, Castro's case against the U.S. embargo has been taken up by Canada, Mexico, and the European Union.
- Negotiate a continued U.S. presence in Panama after the Panama Canal is handed over to Panama's government on December 31, 1999. Panama does not have the military capability to guarantee the security of the Panama Canal, nor does it have the ability to resist the spread into Panamanian territory of Colombia's escalating civil war.
- Slow the spread of international drug trafficking in Latin America. On President Clinton's watch, U.S. drug policy and the annual U.S. drug certification process have lost credibility throughout the Americas, hurting U.S. prestige and leadership.

The erosion of U.S. relations with Latin America and the Caribbean is happening at a bad time for the region. The pace of economic reform is slowing throughout Latin America, and doubts are growing in many countries about the political sustainability of free-market policies. The region's fragile democracies also are under growing assault from pervasive political corruption, weak and ineffectual courts, the absence of rule of law, the relentless spread of international organized crime, and drug trafficking.

REPAIRING THE DAMAGE IN U.S.–LATIN AMERICA RELATIONS

To win back Latin America's waning trust and restore U.S. leadership and credibility throughout the region, the United States should:

- Renew the President's fast-track negotiating authority immediately. Without fast-track authority, the United States cannot lead or even participate fully in the FTAA negotiations.
- Negotiate bilateral free-trade agreements, using fast-track authority, with countries like Chile, Argentina, Costa Rica, and Trinidad and Tobago.
- Launch a "Millennium Round" of global trade liberalization talks within the World Trade Organization.
- Approve NAFTA parity for Caribbean and Central American democracies. Granting the CBI countries the same trade status that Mexico enjoys under NAFTA would help to counter the region's economic and social problems.
- Accelerate NAFTA's implementation. NAFTA has been a major commercial success in its first four years. Mexico now is the world's second largest buyer of U.S. merchandise goods exports, after Canada and before Japan.
- Enforce the Helms–Burton Act. President Clinton should adopt a carrot-and-stick policy that combines full enforcement of this law, which toughens the U.S. trade embargo against Cuba, with an outreach effort to the Cuban people that bypasses Castro's communist regime, much as President Ronald Reagan did with the peoples of the Soviet Union during the final years of the Cold War.
- Rethink U.S. drug policy in Latin America. The United States should place greater emphasis on reducing domestic demand through a combination of law enforcement and education programs and increase counter-drug security at the U.S.–Mexico border, in Puerto Rico, and in other U.S. ports of international arrivals.
- Negotiate a continued U.S. military presence in Panama. Although nearly a century old, the Panama Canal still is vitally important to U.S. commercial interests.

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JOHN SWEENEY

The second Summit of the Americas in Santiago, Chile, on April 18–19, 1998, showcased how much influence and leadership the United States has lost throughout Latin America during the Administration of President Bill Clinton. *The Economist* at that time remarked that President Clinton was "almost in the dunce's cap" for not having fast-track trade negotiating authority.[1] Formal negotiations were launched in Santiago to create a Free Trade Area of the Americas (FTAA) by 2005. The structure and pace of those negotiations, however, were defined by Brazil, which now shares with the United States the official title of "co-leader" of the FTAA negotiations. C. Fred Bergsten of the Institute for International Economics described the Santiago summit as a "first early case where the failure to have fast track undermines the U.S. position."[2]

President Clinton's presence in Santiago without fast-track authority was symptomatic of the creeping paralysis in U.S. trade policy that has damaged U.S. relations with Latin America since the collapse of the Mexican peso in December 1994. With trade expansion off the Clinton Administration's foreign policy agenda, other issues on which Latin America disagrees with the United States have come into sharper focus, including U.S. policy toward Cuba, immigration, the war on drugs, and the annual drug certification process. The bold FTAA initiative President Clinton launched in Miami, Florida, in December 1994 to open markets, eliminate trade barriers, and create a new hemispheric partnership has fallen off the Administration's much-touted bridge to the 21st century. Increasingly, many Latin American leaders fear that President Clinton has given up on the region. Their concern may be justified.

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1. "The Summiteers Go to School," *The Economist,* April 25, 1998, p. 37.
2. Kevin G. Hall, "Summit abounds in ironies," *The Journal of Commerce,* April 15, 1998, p. A1

CLINTON'S LEGACY OF MISSED OPPORTUNITIES

Relations between the United States and Latin America looked promising in 1992. After a lost decade for Latin America in the 1980s, the Cold War was over and newly elected democratic governments in the region were carrying out market-driven reforms. Two years earlier, in 1990, U.S. President George Bush had launched his Enterprise for the Americas Initiative (EAI), a bold plan to turn the Western Hemisphere—from Alaska to Tierra del Fuego—into the world's largest free-trade area. The Bush Administration also initiated negotiations with Mexico in 1990 to create the North American Free Trade Agreement (NAFTA). At the end of 1992, expectations ran high throughout Latin America that the NAFTA agreement with Mexico would lead in quick succession to free-trade agreements with other countries in the region.

President Clinton encouraged these expectations during his first two years in office. He worked hard to win congressional approval of NAFTA in November 1993 and hosted the first Summit of the Americas in Miami in December 1994. The collapse of the Mexican peso only nine days after the Miami summit, however, hurt NAFTA's image in the United States, derailed NAFTA's expansion to Chile, and left the Clinton Administration without a viable Latin America policy. The United States has been at the sidelines of hemispheric trade liberalization ever since.

With trade expansion off the Clinton Administration's agenda for Latin America since 1994, non-trade issues that heighten hemispheric tensions have moved to the forefront of relations between the United States and Latin America. In fact, the Clinton Administration's missteps in Latin America since 1993 add up to a legacy of missed opportunities in a region of vital importance to U.S. economic and security interests. Since 1994, for example, the Clinton Administration has missed the opportunity to:

- **Expand NAFTA to Chile.** President Clinton has failed twice—in 1995 and 1997—to obtain fast-track negotiating authority from Congress. At the second Summit of the Americas in Santiago, President Clinton and Chilean President Eduardo Frei agreed to abandon the failed four-year effort to include Chile in NAFTA in order to pursue bilateral negotiations—when President Clinton has fast-track trade authority.[3]

- **Set the structure and pace of the FTAA negotiations.** At the first Summit of the Americas, Latin American heads of state shared the U.S. assumption that NAFTA would be the benchmark trade agreement for creating the FTAA. Moreover, the United States sought to advance these negotiations rapidly. At the recent Santiago summit, however, the structure of the official FTAA negotiations was defined mainly by Brazil. Officially designated (with the United States) a "co-leader" of the FTAA process, Brazil has imposed a "go-slow" pace on the negotiations.

- **Include Caribbean and Central American democracies in NAFTA.** The Clinton Administration promised at the Miami summit that the democracies of Central America and the Caribbean would receive the same trading privileges as Mexico under NAFTA. The Clinton Administration, however, never has made a strong push in Congress to win NAFTA trading parity for the countries of the Caribbean Basin Initiative (CBI).[4]

3. Dolia Estevez, "Clinton and Frei Desist from Including Chile in the NAFTA," *El Financiero* (Mexico City), April 17, 1998, p. 12.

4. The U.S. Congress enacted the Caribbean Basin Economic Recovery Act in 1983 to respond to an economic crisis in Central America and the Caribbean. The current CBI beneficiaries include Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat. Netherlands Antilles, Nicaragua, Panama, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

- **Create a real democracy in Haiti.** In 1994, President Clinton sent 20,000 U.S. soldiers to Haiti to "restore" the democratic government of then-President Jean-Bertrand Aristide. Three years later, U.S. taxpayers are $2.8 billion poorer and Aristide still is scripting the future of Haiti. Aristide, the likeliest winner of Haiti's next presidential election in 2000, has created an economic, political, and security organization designed to perpetuate his grip on power in Haiti—regardless of whether he actually holds elected office.

- **End Fidel Castro's communist regime in Cuba.** Castro was isolated internationally in 1992. In 1998, however, it is the United States that is isolated internationally on the issue of Cuba. Castro's cause against the trade embargo has been embraced by the European Union (EU), by NAFTA partners Mexico and Canada, and by many Latin American democracies that have challenged the Helms–Burton Act of 1996 that tightened the trade embargo against Cuba. Instead of fully enforcing the law while building stronger bridges of freedom to the Cuban people, President Clinton has encouraged the law's international critics by waiving full enforcement of the Helms–Burton Act every six months. President Clinton so far has failed to develop an effective strategy for promoting the growth of democracy in Cuba as President Ronald Reagan achieved during the 1980s with his policy toward the Soviet Union.

- **Negotiate a continued U.S. presence in Panama after the Panama Canal is handed over to Panama's government on December 31, 1999.** An agreement with Panama should have been reached by summer 1997, but the Clinton Administration has not pursued the negotiations aggressively.[5] Negotiations to establish a hemispheric anti-drug center have reached an impasse as of mid-1998 due to Panamanian efforts to impose limitations on the size, scope, and duration of the U.S. presence.[6] Without a continued U.S. military presence in Panama, the long-term security of the Panama Canal cannot be guaranteed. Moreover, Panama does not have the military capability to stop the spread of Colombia's drug-driven violence into Panamanian territory.

- **Slow the spread of international drug trafficking in Latin America.** On President Clinton's watch, U.S. drug policy in Latin America and the annual U.S. drug certification process have lost credibility throughout the Americas, damaging U.S. prestige and leadership. Moreover, while pursuing an aggressive anti-drug policy from 1995 to 1998 against Colombia because of the drug cartel ties of President Ernesto Samper, the Clinton Administration largely has ignored the growing Colombianization of Mexico, a vital economic partner in NAFTA.

The erosion of U.S. relations with Latin America and the Caribbean is happening at a bad time for the region. The pace of economic reform is slowing throughout Latin America, and doubts are growing in many countries about the political sustainability of the free-market policies known in Latin America as "neo-liberalism." After a decade of free-market reforms, the region is poorer than it was in 1988;[7] it also suffers from "reform fatigue": Ten years of reform without any social progress has left millions of Latin Americans feeling that they were cheated by the free-market policies that swept the region. Policies that curbed inflation and stimulated economic growth have failed to provide enough new jobs, reduce poverty, close the gap between rich and poor—already the world's

5. "Future of U.S. Military Presence in Panama," Staff Report to the Committee on Foreign Relations, U.S. Senate, 105th Cong., 1st Sess., Washington, D.C., May 1997.

6. Associated Press, "U.S. Troops Possibly Won't Be Able to Stay in Panama after '99," *The Washington Times,* June 17, 1998, p. A9.

7. The number of poor Latin Americans increased from 135 million persons in 1980 to 210 million in 1996. Today, two out of every five inhabitants of Latin America are poor and unemployed.

worst—or improve living standards. The region's fragile democracies, too, are under growing assault from pervasive political corruption, weak and ineffectual courts, the absence of any real rule of law, the relentless spread of international organized crime, and drug trafficking.

Military Misadventure in Haiti

In September 1994, President Clinton ordered 20,000 U.S. soldiers to occupy Haiti—an eroded, deforested, and anarchic piece of an island with 7.3 million impoverished inhabitants—with a mandate to restore the democratically elected government of Jean-Bertrand Aristide and jump-start the economy. The Clinton Administration has proclaimed its Haiti policy a success. Yet nearly four years and $2.8 billion later, Haiti remains wracked by poverty and overwhelmed by unemployment and corruption.

The best that can be said for President Clinton's failed nation-building exercise in Haiti is that no U.S. troops were injured and that the Haitian rafter exodus to U.S. shores was halted, at least temporarily. Since June 1997, Haiti has been without a functioning Prime Minister and Cabinet, and the government is paralyzed. When the last United Nations (U.N.) security forces pulled out of Haiti on November 30, 1997, they left behind a country bereft of political leadership and national unity.

The authority of Haiti's current President, René Préval, has been neutralized by his mentor, former President Aristide, whose unofficial power exceeds Préval's official power. Aristide, who is certain to win Haiti's next presidential election in 2000, still is scripting the future of Haiti. Touted by the Clinton Administration in 1994 as the best hope for a democratic Haiti, Aristide has emerged instead as the most significant obstacle to economic reform and democracy, and the principal reason that most foreign aid to Haiti has been suspended. Analysts with the House International Relations Committee, moreover, believe that Aristide may be involved in the drug trade. Since the U.S. military returned Aristide to Haiti, the island has emerged as a key player in the international drug trade. About 7 percent of the cocaine smuggled into the United States today passes through Haiti. Meanwhile, Aristide has access to sources of money that no other political leader in Haiti can match.[8]

Outwitted by Castro

Castro expertly has outmaneuvered the Clinton Administration. Five years ago, Castro and Cuba were isolated internationally. The collapse of the Soviet Union had deprived Castro of more than $5 billion a year in subsidies while demolishing the ideological foundation of his communist regime. The United States, by contrast, was in a position of global strength to seek the support of other countries in restoring democracy to Cuba. Yet today, the United States finds itself isolated internationally, while Castro has succeeded in persuading the international community that Cuba's economy has collapsed because of the U.S. trade embargo. Castro, moreover, has enlisted the aid of the EU, Latin American neighbors, and the U.N. in opposing the Helms–Burton Act that tightened the trade embargo against Cuba. In fact, several Latin American heads of state attending the recent Santiago summit called for the readmission of Cuba to the Organization of American States and for Castro's inclusion in future summits.[9]

Under the Clinton Administration, U.S. policy toward Castro's regime in Cuba has lost focus, credibility, and direction. The central goal of U.S. Cuba policy—which is to bring free-market democracy to the island—has been forgotten. Instead of supporting a principled policy to bring democracy to Cuba, U.S. allies in Europe and Latin America have challenged U.S. efforts to enforce the Helms–Burton Act, with the argument that extraterritorial application of U.S. law is illegal under international law.

Meanwhile, many countries—including NAFTA partners Canada and Mexico—are trying to

8. Mark Fineman, "Aristide Finds Good Works Are Good Politics," *The Los Angeles Times*, April 27, 1998, p. A1.

9. Warren P. Strobel, "Summit Opposes U.S. on Cuba," *The Washington Times*, April 19, 1998, p. A1.

FOUR STAGES OF CUBA POLICY

The Clinton Administration's Cuba policy has stumbled through four stages since 1993:

1. **The Refugee Crisis of August 1994.** After rioting broke out in Havana in July 1994, Castro opened Cuba's beaches to anyone who wanted to leave the country by sea. Over 30,000 refugees fled the island on flimsy homemade rafts during August alone. The majority were intercepted at sea by U.S. Navy and Coast Guard ships and confined at the U.S. Naval Base in Guantanamo, Cuba. The flood of refugees ended after President Clinton terminated a long-standing U.S. policy of admitting all Cubans automatically as political refugees.
2. **The U.S.–Cuba Immigration Agreement of 1995.** This agreement was negotiated secretly in New York City, without the participation of the U.S. Department of State. It established a more effective system for processing the migration of 20,000 Cubans annually to the United States. The agreement also committed the United States to repatriate forcibly any Cubans caught trying to enter the United States illegally.
3. **The Downing of Two U.S. Civilian Aircraft in 1996.** Three U.S. citizens and a Cuban living in the United States were killed in February 1996 when Castro ordered jet fighters to destroy two small U.S. civilian aircraft flying in international air space over the Straits of Florida. The Clinton Administration did not respond in any way, and Castro got away cleanly with ordering the murder of four persons—three of them U.S. citizens. Simultaneously, he cracked down hard on opposition groups that were starting to surface across Cuba.
4. **Failing to Enforce the Helms–Burton Act.** President Clinton signed the bill into law in 1996, but never has allowed the law to be enforced in full. Every six months since the law was enacted, the President has waived the enforcement of Title III, which allows U.S. citizens with property claims outstanding in Cuba to file suit in U.S. courts against foreign firms and individuals who may be using those confiscated Cuban assets. The Clinton Administration also has been lukewarm in its implementation of Title IV, which requires the United States to suspend the visas of foreign businessmen who invest in Cuba as well as those of their direct relatives.

develop stronger economic relations with Cuba. Caribbean democracies also are seeking closer economic ties with the island, and have made Cuba a full member of the 34-nation Association of Caribbean States (ACS).[10] The political and economic repression of the Cuban people, however, continues unabated. When Canadian Prime Minister Jean Chrétien visited Cuba officially in May 1998, Castro publicly rejected his entreaties for economic liberalization, the release of political prisoners, and democratic reforms.

The Abandonment of Panama

In September 1995, Presidents Clinton and Ernesto Perez Balladares formally announced that the governments of the United States and Panama would begin exploratory talks on maintaining a U.S. military presence in Panama. Since that time, little progress has been made. Opinion polls in Panama indicate the vast majority of Panamanians are interested in maintaining a post-2000 U.S. military presence in Panama. No political figure in Panama is willing to step forward and speak up for this silent majority; the minority opposed to a continued U.S. military presence, however, is highly

10. The United States does not belong to the ACS.

vocal and well-organized. The U.S. National Security Council and Department of State have shown virtually no interest in taking up the issue with Panama.

Faced with the Clinton Administration's indifference, Panama's government proposed the idea of establishing a Multilateral Counter-Drug Center (MDC) at the location of the current U.S. military facilities in Panama, with the U.S. military taking part in the center's anti-drug operations throughout the region. Panamanian officials suggested the MDC to the Clinton Administration as a "political umbrella" for U.S. military forces to stay in Panama. Under the MDC, however, the United States would not have operational control over the bases, as it does now. Instead, they would become Panamanian bases, with military and civilian anti-drug officials from several countries working on the premises.

Without a continued U.S. military presence in Panama, the security of the Panama Canal could be threatened. Moreover, the presence of Colombian guerrillas, drug traffickers, and paramilitaries on Panamanian soil in the southern Darien region is likely to grow worse. When the United States departs completely, Panama may face a clouded future of economic decline and increased political instability.

Losing the War on Drugs

The United States spent over $16 billion fighting drug traffickers at home and abroad in 1997, yet illegal drugs today are cheaper and more plentiful than ever in U.S. cities. The average retail price of heroin in the United States has fallen by more than half since 1986, while its purity now approaches 50 percent compared with only 16 percent a decade ago. During the same period, the price of cocaine has dropped by almost half.[11]

Since 1993, powerful drug-trafficking organizations have expanded their criminal operations rapidly throughout the Western Hemisphere. Although Colombia remains the principal source country for more than 80 percent of the cocaine consumed worldwide, Mexican drug-trafficking organizations have caught up rapidly with their Colombian counterparts during the past five years. No country in the Western Hemisphere is immune today from the growing reach of Colombian and Mexican drug-trafficking organizations. From Mexico to Argentina, the region's weak democratic institutions are being overwhelmed by international drug traffickers who buy governments, legislatures, judges, prosecutors, police, and even the military in many countries. Countries under direct assault include Colombia, Mexico, Peru, Venezuela, Panama, Argentina, Paraguay, Honduras, and Guatemala.

More than 60 percent of the cocaine sold in the United States and Europe now moves through the Caribbean. Puerto Rico, a U.S. possession, has emerged as the most important transshipment point for the cocaine and heroin shipments traveling from Colombia to the United States and Europe. Haiti and the Dominican Republic also have become important players in the Caribbean drug trade. The U.N. Drug Control Program recently reported that 40 percent of the cocaine sold in the United States—250 tons a year—and almost all the growing flow of Colombian heroin, now enters the United States via the Caribbean, a figure 10 percent higher than previous estimates.

The Clinton Administration's uneven enforcement of the annual process of certifying countries that cooperate in the war on drugs has poisoned U.S. relations with many countries in the region that claim the world's largest consumer of illegal drugs (the United States) has no moral or political right to pass judgment on other countries. For example, the Administration decertified Colombia in 1997 but chose to recertify Mexico even though drug-related developments in Mexico merited that country's decertification. Moreover, U.S. efforts to militarize the drug war in Mexico and other countries have exposed the Latin American military to the twin temptations of drug-related corruption and renewed political involvement in countries

11. "Passing Judgement : The U.S. Drug Certification Process," Drug Strategies and USC Annenberg School for Communication, 1998, p. 9.

that lack strong legal institutions and democratic traditions.

The Collapse of Colombia

Already the most violent country in Latin America with a crime rate eight times higher than that of the United States, Colombia rapidly is becoming one of the most unstable countries in the region. Colombia today is the only country in Latin America in which Marxist–Leninist insurgents continue to wage an ideologically motivated war against the government. The Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN) jointly have more than 15,000 well-armed guerrillas in the field. In contrast, Colombia's army comprises 120,000 soldiers spread over 440,000 square miles of rugged mountains and impenetrable jungles. Three-quarters of the army, moreover, is engaged in guarding oil installations and other major economic and political assets, leaving only 30,000 soldiers and 30 aging helicopters to engage insurgents that are better-armed, better-trained, and better-paid than the average soldier in Colombia's army.

Colombia's government has been in a permanent state of crisis since 1994, when it was revealed that President Ernesto Samper had received over $6 million from drug traffickers to finance his presidential campaign. President Samper successfully resisted the Clinton Administration's efforts to force him out of the presidency, but he has faced an increasingly ungovernable situation at home. Drug traffickers have become involved in politics at every level in Colombia, and Marxist insurgents who finance their activities with drug trafficking are starting to inflict major losses on Colombia's army.

On March 2, 1998, rebels of the Marxist–Leninist FARC ambushed an elite counter-insurgency unit of Colombia's army, killing 80 soldiers, wounding 30, and taking 43 prisoners in a fight that lasted 24 hours. It represents the biggest defeat Colombia's army has suffered in its 35-year war against communist insurgents that now control about half the country's 1,066 municipalities. The March massacre also was the third major loss suffered by the army in the past two years. In December 1997, FARC rebels killed 10 soldiers and captured 18 others; while in August 1996, FARC rebel forces killed 28 Colombian soldiers and captured 60, who were released ten months later.[12] With Colombia's army on the run, the FARC rebels see no reason for dialogue with the government.

While the FARC actively engages in drug trafficking, the ELN finances its activities by extorting over $300 million a year from oil companies operating in Colombia. Both groups also do a big business in kidnapping and in extracting "war taxes" from businesses operating in guerrilla-controlled regions. In all, the FARC and ELN earn revenues estimated at between $500 million and $1.5 billion a year to finance their war against Colombia's army. Their activities have spilled over Colombia's borders into neighboring countries like Venezuela, Panama, and Brazil.[13]

Colombia elected a new president—Andres Pastrana—on June 21, 1998, thereby opening a window of opportunity for the United States to improve relations with Colombia. Pastrana has called for greater U.S. involvement in Colombia, including more resources to fight drug traffickers, more U.S. trade and investment initiatives, and U.S. involvement in peace negotiations with the narco-guerrillas. The United States should help the Pastrana government re-establish the rule of law in Colombia, but should not become involved directly in a military prosecution of the battle against drug traffickers and guerrillas.

12. Laura Brooks, "Colombian Military Is Called to Account," *The Washington Post,* March 8, 1998, p. A26.

13. Colombian FARC and ELN guerrillas routinely enter Venezuelan territory to evade pursuit by Colombia's army. They also cross into Venezuela to grow drug crops, kidnap and murder Venezuelan citizens, and even assault Venezuelan military guard posts along the frontier. FARC guerrillas also have made frequent forays into Brazilian territory, fighting several skirmishes in recent years with units of Brazil's army, and both groups—the FARC and ELN—are venturing increasingly into the Darien region in southern Panama to rest and train after armed engagements with Colombia's army.

The Mexican Drug Connection

Since the early 1990s, Mexican drug traffickers have grown from small-scale marijuana-smuggling organizations into world-class cartels that currently supply between 60 percent and 70 percent of all illegal drugs smuggled into the United States—including cocaine, heroin, and marijuana, plus all methamphetamines. In 1990, the cocaine trade in the United States was controlled by Colombian cartels. By 1993, the U.S. Federal Bureau of Investigation had identified 16 Colombian and 17 Mexican "core" drug-trafficking organizations with operations under way in more than 36 U.S. states. Drug-trafficking organizations have burrowed deeply into U.S. cities. For example, law enforcement officials in the region of Los Angeles, California, recently identified 49 methamphetamine manufacturing organizations, at least 105 groups trafficking in cocaine, 28 organizations smuggling drugs by sea, and 145 rings moving narcotics along the three interstate highways linking southern California with Mexico.[14]

The Clinton Administration's decision in February 1998 to recertify Mexico as a fully cooperating ally in the war on drugs did not reflect the true state of bilateral relations on the issue of drugs. According to Thomas Constantine, director of the U.S. Drug Enforcement Agency (DEA), plans to establish Bilateral Border Task Forces have foundered on Mexico's lack of interest and support. U.S. law enforcement agencies are not sharing any intelligence with their Mexican counterparts, while for the past 14 months the Mexican government has denied U.S. DEA agents permission to carry weapons for self-protection while in Mexican territory.[15]

In addition to the DEA's activities in Mexico, since 1996 the Clinton Administration has pursued a separate Department of Defense–backed strategy of encouraging Mexico's government to replace corrupt civilian law enforcement agencies with specially trained and supposedly incorruptible military units. Mexico's army now controls anti-drug and major civilian law enforcement security issues in 19 states in Mexico as well as large parts of the Mexico City metropolitan region. In January 1997, however, Mexico's drug enforcement czar, General Jesus Gutierrez Rebollo, was arrested for protecting Mexico's largest drug trafficker. The general's arrest occurred just a few weeks after the U.S. drug czar, General Barry McCaffrey, described his Mexican counterpart as a "guy of absolute, unquestionable integrity." Over 40 military officers were arrested in connection with the arrest of Gutierrez Rebollo; yet, to date, not one has been tried in court and convicted.

Opponents of free trade in the United States have blamed the surge in drug trafficking from Mexico on NAFTA. These charges are unfounded. The unguarded U.S. border with Mexico stretches over 2,000 miles. In 1997, more than 82 million passenger vehicles, over 3 million tractor-trailer trucks, and 230 million people crossed the U.S.–Mexico border. The United States and Mexico, moreover, share a long tradition—dating back over 150 years—of smuggling goods in both directions across the border. Free trade did not turn Mexico into a major drug transshipment country. Mexico owes its current national drug crisis to internal and external factors. Internally, Mexico historically has been a closed, single-party state in which corruption has flourished, unimpeded by weak judicial and legal institutions. Externally, successful U.S. drug-interdiction efforts in the Caribbean and Andean region of Latin America during the 1980s pushed Colombian drug cartels toward Central America and Mexico in search of alternative distribution routes.

Taking Mexico for Granted

Mexico is at the top of the list of U.S. foreign policy priorities in Latin America, but the Clinton Administration has done little to develop closer relations since 1994. Mexico today is the second-largest buyer of U.S. manufactured products in the world, after Canada and before Japan. The United

14. Jodi Wilgoren, "Drug Czar Details Efforts to Halt Flow of Narcotics," *The Los Angeles Times*, December 4, 1997, p. A3.

15. Douglas Farah and Molly Moore, "2,000 Miles of Disarray in Drug War," *The Washington Post*, March 9, 1998, p. A1.

States has vital economic and security interests at stake in maintaining a close relationship with Mexico, yet President Clinton has made little effort to cultivate closer relations with the government of President Ernesto Zedillo in Mexico since bilateral U.S.–Mexico relations took a bad turn as a result of the peso crisis that erupted in December 1994.

The peso crisis punched the wind out of the Clinton Administration's Latin America policy by derailing the expansion of NAFTA to Chile and other countries. Moreover, the peso crisis hurt NAFTA in the United States, sowing in the minds of many Americans a sense of distrust that has grown during the past five years as Mexico has experienced economic crisis, rising political violence, and a general breakdown of law and order. Ordinary criminal violence has increased markedly since 1995, especially in Mexico City. Drug-related corruption and crime loom ever larger in U.S.–Mexico relations. Mexico today has no courts, no civil service, and no rule of law. According to Luis Rubio, director of the Mexico City–based Center for Development Research, there is "nothing beneath the structures" in Mexico.

Nevertheless, the economic crisis in Mexico accelerated the process of political reform. Since 1995, candidates of the opposition left-wing Party of the Democratic Revolution (PRD) and the pro-business National Action Party (PAN) have won important elections at the national, state, and municipal levels. The long-ruling Party of the Institutional Revolution (PRI) has lost control over Mexico's House of Representatives, and the party is wracked by growing internal divisions. President Zedillo, who encouraged these political changes, now is going one step further by distancing himself from the process of choosing his successor. In the past, sitting Mexican presidents chose their successors, but Zedillo is expected to let his party, the PRI, choose instead. Even though President Zedillo has done well in advancing the process of political reform in Mexico, the reforms also have caused an increase in political violence.[16]

NO LATIN AMERICA POLICY WITHOUT TRADE EXPANSION

President Clinton calls himself as a free trader, but the record belies that claim. Although more than 30 bilateral and regional free-trade agreements are in effect throughout Latin America, the United States participates only in NAFTA with Mexico and Canada. Two days before the Santiago summit, three Latin American trade groups signed two new trade agreements. The South American Common Market (Mercosur) signed a nine-country agreement with the Andean Community to create a free-trade area by January 1, 2000, while the Central American Common Market (CACM) signed a trade and investment liberalization framework agreement with the Dominican Republic.[17] Chile, too, is negotiating a free-trade agreement with the Castro regime in Cuba. Presidents Clinton and Frei, however, agreed in Santiago to drop the inclusion of Chile in NAFTA, and to focus instead on bilateral trade negotiations—if and when President Clinton gets back fast-track trade authority.

The two most important trade achievements for which the Clinton Administration is credited actually were inherited from the Bush and Reagan Administrations. The NAFTA negotiations were wrapped up and signed by October 1992, and the negotiations under the General Agreement on Tariffs and Trade that produced the Uruguay Round Agreements in 1994 were very advanced by the time Bill Clinton assumed the presidency in January 1993. President Clinton's personal legacy in U.S. trade policy has been to establish permanent

16. Since Julio Cesar Ruiz Ferro became governor of Chiapas in February 1995, more than 1,500 Indians have been killed in political violence, many by paramilitary groups linked to the PRI. Political killings are not unusual in the neighboring states of Oaxaca and Guerrero. The PRD has lost over 250 members through death since January 1995, mostly in these three southern states.

17. Mercosur's members are Brazil, Argentina, Paraguay, and Uruguay. Chile and Bolivia are "associates" but not full members. The Andean Community's members include Venezuela, Colombia, Peru, Ecuador, and Bolivia. The CACM's members include Guatemala, Honduras, Nicaragua, El Salvador, and Costa Rica.

linkages between trade agreements and such unrelated issues as labor and environmental standards.[18]

President Clinton's possibility of building quickly on NAFTA and the Uruguay Round Agreements ended when his residual fast-track authority lapsed in 1994. The Clinton Administration's excuse for not seeking a renewal of fast track in 1995 was the bailout of Mexico; in 1997, it was that the balanced budget bill and renewing most favored nation trading status for China were too important to "overload" Congress with fast track. The Administration's excuse for not pursuing fast track in 1998 is that the Asian crisis will take all the attention Congress can muster.

But the Clinton Administration has no good excuse for not pressing hard for fast track. Trade expansion is the cornerstone of U.S. foreign policy in Latin America. Without fast-track negotiating authority to expand NAFTA to other countries in Latin America, the Administration does not have a viable Latin America policy. Because of Administration inaction, moreover, NAFTA has become the poster child of protectionists inside the United States. Numerous public opinion surveys conducted from 1995 to early 1998 by different polling organizations show that many Americans harbor negative opinions about NAFTA, that a majority feel NAFTA should not be expanded to other countries in Latin America, and that they strongly oppose renewing President Clinton's fast-track negotiating authority.

With NAFTA's expansion stalled for now, many Latin American and Caribbean countries are reassessing their options and are looking with increased interest toward Europe and Asia. Chile already has negotiated bilateral free-trade agreements with Mexico and Canada, and in 1997 became an associate member of Mercosur. In just six years since it was established in 1991, Mercosur has become the most successful integration mechanism in Latin America and an emerging leader in the Western Hemisphere.[19] In 1997, Mercosur's gross domestic product (GDP) topped $1.1 trillion, with Brazil and Argentina accounting for 69.3 percent and 28.1 percent of the group's GDP, respectively.[20]

REPAIRING THE DAMAGE IN U.S. RELATIONS WITH LATIN AMERICA

The balance of hemispheric power shifted at the Santiago summit. The United States launched the EAI, NAFTA, and the FTAA process. In fact, U.S. policymakers took it for granted in 1994 that they would call the shots in the FTAA process. It was clear at the recent summit in Santiago, however, that the United States had lost the initiative in the FTAA negotiations. On President Clinton's watch, the United States has lost its leadership of the FTAA process and has become a mere bystander in a hemispheric process of trade liberalization in which Brazil now is setting the pace and direction of negotiations.

To win back Latin America's trust in the United States, the Clinton Administration must become a leader instead of a follower. Without decisive actions to reaffirm the U.S. commitment to Latin America, relations will become even more strained in the future. Specifically, the United States should:

- **Renew the President's fast-track negotiating authority.** Congress should renew the President's fast-track negotiating authority immediately. Without fast track, President

18. These linkages are present in the side agreements to NAFTA, in both failed attempts to get fast track from Congress, in the U.S. FTAA agenda for trade liberalization with Latin America, and also in the U.S. position at the multilateral investment safeguards treaty currently being negotiated by the United States and other members of the Organization for Economic Cooperation and Development.
19. "Mercosur: Prospects for an Emerging Bloc," Institute for European–Latin American Relations, Madrid, Spain, August 1997.
20. Uruguay (1.8 percent of Mercosur's GDP) and Paraguay (0.8 percent) are much smaller than Brazil and Argentina, and do not weigh much in the decision-making process.

Clinton does not have a working Latin America policy, and the United States relinquishes much of its leadership and leverage in regional and multilateral trade negotiations. Free trade and investment are the backbone of U.S. policy in Latin America and the world at large. U.S. trade with Latin America is vital to the health of the U.S. economy. Everything the United States wants to flourish in Latin America—including economic prosperity, political stability, and the consolidation of capitalist democracy—is contingent on the U.S. ability and willingness to lead the region in creating an FTAA.

- **Negotiate bilateral free-trade agreements with countries like Chile, Argentina, Costa Rica, and Trinidad and Tobago.** With fast-track authority in hand, the Clinton Administration quickly could wrap up bilateral trade agreements with these countries, and recapture the initiative in Latin America. Such bilateral agreements would increase U.S. negotiating leverage in the FTAA negotiations, while accelerating the opening of key Latin American markets that still are relatively closed to U.S. investments and exports of goods and services.

- **Launch a "Millennium Round" of global trade liberalization talks within the World Trade Organization (WTO).** The EU already aired this proposal, but the Clinton Administration rejected it. Instead of continuing its retreat from trade expansion, the Administration should embrace a WTO Millennium Round enthusiastically and seek through WTO negotiations to win global support for the accelerated trade liberalization that Brazil currently opposes within the FTAA process.

- **Approve NAFTA parity for CBI countries.** The United States spent over $9 billion during the 1980s to contain the spread of communism in Central America and the Caribbean. The Clinton Administration, however, largely has ignored the region since 1994. Including Caribbean and Central American democracies in NAFTA would expand their growth prospects while enabling the United States to implement more effective anti-drug and immigration policies in the sub-region.

- **Speed up NAFTA's implementation.** The United States should seek Mexican and Canadian consensus to phase in NAFTA completely by 2003. All three countries would benefit from faster implementation of NAFTA. The United States has vital economic and security interests at stake in supporting Mexico's transformation into a capitalist democracy. Mexican exports are growing rapidly, but most Mexicans are worse off today than they were before the peso crisis of 1995. Speeding up NAFTA's implementation would spur faster growth in North America, too.

- **Enforce the Helms–Burton Act.** Since the earliest days of its trade embargo on Cuba, the United States has held out the prospect of easing the embargo if Castro would allow free elections, open markets, the release of all political prisoners, the legalization of opposition political parties, and restitution for all U.S. properties and assets illegally confiscated by his regime. Castro always has refused to permit any changes or make any concessions that would loosen his stranglehold on the Cuban people. Castro's decision in February 1996 to destroy two U.S. aircraft and murder four innocent civilians flying in international airspace is what finally compelled Congress to approve the Helms–Burton Act. No one is to blame for the continued existence of the Cuban trade embargo except Castro.

By waiving full enforcement of the Helms–Burton Act on four separate occasions since its enactment in 1996, President Clinton has projected an image of weakening U.S. resolve to bring freedom to the oppressed Cuban people. Moreover, his reluctance to enforce the law has encouraged Castro, Latin America, and the EU to challenge the long-standing and principled U.S. policy toward Cuba. The Clinton Administration should implement the law fully by allowing U.S. citizens to bring suits in U.S. courts against foreign firms and individuals that traffic in illegally seized U.S. assets in Cuba.

In addition to enforcing the Helms–Burton Act, the Clinton Administration should develop a Reagan-like policy for dealing with Castro, simultaneously containing his communist regime while exposing the Cuban people to the forces of economic, political, and religious freedom. U.S. policymakers should recall that the trade embargo is not an end in itself, but rather a policy instrument to restore economic freedom and democracy in Cuba. U.S. policymakers would do well to remember the success of President Reagan's policy to defeat the Soviet Union during the 1980s—a policy that allowed the United States simultaneously to corner and contain the Soviet bear militarily and politically while exposing the peoples of the Soviet republics to universal American values of economic, political, and religious freedom.

- **Rethink U.S. drug policy in Latin America.** The spread of international organized crime associated with drug trafficking is the greatest threat faced by the fragile democracies of Latin America. The vast majority of the drug seizures and arrests carried out by U.S. authorities, however, take place at or inside the international borders of the United States—not in foreign countries in which the United States has no legal jurisdiction.

  If the Clinton Administration is serious about defeating international drug-trafficking organizations, then it must convince U.S. taxpayers to pay the price for tighter border security and related financial expenses. It may be necessary to build and maintain more fences along the U.S. border with Mexico, to install more sensor devices and x-ray technology to detect the clandestine cross-border movement of people and drugs, and to inspect trucks and passenger vehicles crossing from Mexico into the United States.

  It also may be necessary to enhance the National Guard presence along the U.S. border with Mexico. Under no circumstances, however, should units of the U.S. armed forces be assigned to border-control tasks. The militarization of U.S. borders is legally prohibited, as well as a dangerous distortion of the armed forces' central mission of defending the physical integrity of the United States against armed aggression by foreign powers.

  Nevertheless, law enforcement and the administration of justice is likely to remain a major problem throughout Latin America. Police forces throughout the region are a large part of the problem. With the important exceptions of Colombia, Peru, and Mexico, there is very little explicitly political violence in Latin America today; but there is far more criminal violence than before the region turned toward democracy. The influence of the military in the internal security and law enforcement agencies in many countries has increased with U.S. support for militarizing the war on drugs in the region.

- **Negotiate a continued U.S. military presence in Panama.** The Panama Canal remains vitally important for U.S. imports and exports that are transported by sea. Panamanian authorities have expressed doubts about their ability to manage efficiently the $4.3 billion of assets, buildings, and properties they will receive from the United States on December 31, 1999. Without a continued U.S. presence in Panama, moreover, the threat of subversion, drug trafficking, and paramilitary violence is likely to spill over increasingly from Colombia into Panama. Although the U.S. Southern Military Command already has relocated its headquarters to Miami, it is not too late for the United States to jump-start negotiations to retain some military presence at existing bases in Panama.

CONCLUSION

The deterioration of U.S. relations with Latin America since 1994 has occurred because the Clinton Administration has missed every major opportunity to build a new partnership with the democratic countries of the Americas. This string of missed opportunities and failed policy initiatives reflects the Clinton Administration's inability to formulate a Latin America policy based on a coherent vision of the vital economic and security interests of the United States in the Western Hemisphere.

The ball now is in President Clinton's court. If the Clinton Administration continues its retreat from Latin America, President Clinton's legacy in the Western Hemisphere will be nearly a decade of missed opportunities and diminished U.S. leadership. The Latin American debt crisis that erupted in 1982 cost the region a decade of economic and social development. President Clinton's failure to build on the free-trade foundations created by the Reagan and Bush Administrations could make the final ten years of the 20th century America's lost decade in the Western Hemisphere. If he chooses to assert the forceful presidential leadership that has been lacking since 1993, President Clinton may be able to rescue his foundering Latin America policy. The choice is his.

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