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# Forging a True Partnership of the Americas

By

**Clifton R. Wharton, Jr.**  
**Deputy Secretary of State**

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It is a pleasure to have the opportunity to speak to you today. First, allow me to express Secretary Christopher's disappointment that he could not be here. He had wanted to speak to you personally and assure you that the U.S. partnership with Latin America and the Caribbean is among this Administration's highest foreign policy priorities. I am delivering the Secretary's speech, and he asked me to be sure you understand that these are his words.

But before I read the Secretary's speech, let me first make a personal comment. Upon graduation from SAIS in 1948, I joined the late Nelson A. Rockefeller, David's brother, in Nelson's Latin American activities. This led to a 22-year career in foreign economic development with the Rockefeller family's philanthropic interests. Therefore, I am especially pleased to be here to compliment my good friend David Rockefeller.

David, I want to pay a personal tribute to you for your lifelong leadership and dedication to improving relations among the nations of the Americas. No one exemplifies our country's commitment to the region better than you.

On behalf of the Secretary, I would like to begin by expressing appreciation to you and to John Avery, George Landau, and all the members of the council for the very important work you have done over the years.

The council has rendered an invaluable service to our country. You have promoted greater communication and understanding among leaders throughout the Americas. And you have educated our citizens about what all of us have at stake in inter-American cooperation.

Members of the council have contributed significantly to the new growth spurred by open markets and free trade. You have long understood the link between political and economic freedom and the importance to both of the rule of law.

Those are the values which must guide U.S. policy toward Latin America and the Caribbean. Let me state in unmistakable terms: our marching orders from the President are to engage with Latin America and the Caribbean to strengthen democracy and expand prosperity for all our citizens to share.

Too often in our history, we have turned our attention to Latin America in times of crisis, and we have turned our back when the crisis passes. That is short-sighted and self-defeating. This Administration will not make that mistake.

President Clinton is committed to forging a true partnership of the Americas—a Western Hemisphere community of democracies—to strengthen democratic institutions, to defend human

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rights, to fight for social justice, to support economic reform and free markets, and to protect the environment. And let there be no doubt: we will build a hemisphere of free trade.

Our interests in the hemisphere are mutual, and the benefits flow both ways. When our neighbors prosper, they buy our exports and our job base grows. When democracy is strong in the Americas, together we are able to address the problems we face and seize the opportunities we share.

Change in Latin America today often comes from inspired leaders: from men like Presidents Salinas [of Mexico] and Menem [of Argentina], who have led the most dramatic economic reforms their societies have ever seen, and President Aylwin [of Chile], who is promoting economic growth and fighting poverty. Change also comes from the work of the Salvadorans and Nicaraguans in all walks of life who are working to reconcile their people and rebuild their countries. It comes from voters, political activists, and election workers who have placed their faith in electoral processes and made them work. And it comes from entrepreneurs, whether street vendors or major investors, who are taking risks, creating new jobs, and lifting people's lives.

This is the generation in Latin America which established democracy as the only form of government acceptable to the people. Now, this generation must show that democracy will attack the daunting problems which remain: that it will stop political violence and safeguard human rights; that it will assure efficient and accountable forms of government; that it will reduce poverty and glaring inequalities of income; that it will address population growth and protect the environment. Indeed, our common challenge in every part of the hemisphere is achieving economic prosperity while advancing social equity.

President Clinton and Vice President Gore are leaders of this new generation. Under their leadership, the United States is committed to working with our neighbors in the Americas to achieve these vital goals. Our task throughout the Americas is to make democracy work for ordinary citizens every day, not just on election day. And that job begins with economic policies that put people first here at home and throughout the hemisphere.

There is no longer a distinction between sound domestic and sound international economic policies. President Clinton's budget proposals are a more serious and comprehensive program to cut the deficit than anything Washington has seen in a long time, and they deserve your support. Already, the reduction in long-term interest rates that has taken place in response to those proposals has saved billions for American businesses, consumers, and homeowners. And that same reduction will save Latin America \$2 billion in debt service in the course of a year. The more the President's program works, the more it will benefit our economy and those of our trading partners to the south.

Our international economic policy is designed to expand global trade and prosperity, enlarge export opportunities for our businesses, and create jobs for our workers, as President Clinton said in his American University address in February. We will work to eliminate trade barriers, ensure fair competition for our businesses, and spur growth and prosperity abroad. The jobs of over 7 million of our workers—and 1 acre in 3 planted by our farmers—depend on exports abroad. For their sake, as the President has said, "we must compete, not retreat" in this hemisphere and around the world.

Today, the Americas are vital to our international economic strategy. No region in the world is doing more to liberalize trade with us, and no region is better suited to join us in economic partnership than Latin America. The hemisphere is growing again. In nearly every country, hyper-inflation has been tamed. New private capital is pouring into the region,

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modernizing former state enterprises and trading in some of the world's newest and most dynamic stock markets. Seventy-five percent of the new investment capital flowing into the developing world today is going to Latin America. In country after country, the emergence of a new middle class, with growing purchasing power, is creating new markets for exporters of U.S. goods and services.

In fact, with Mexico modernizing, with Chile growing at 9 percent, with Argentina enjoying a sound currency and high levels of investment, with Colombia preparing to develop the world's largest new oil field, it is time to start talking about Latin American tigers.

Last year, our worldwide exports grew by 6 percent. In Latin America and the Caribbean, our exports grew by 17 percent—and there we had a surplus. Our market share is five times greater than that of Japan and growing every year. U.S. exports to this hemisphere have more than doubled in the past 5 years. This has created nearly 500,000 American jobs at higher than average wages. And each additional percentage point of growth in Latin America generates \$5 billion in new U.S. exports and over 100,000 new American jobs. Clearly, what is good for the economies of this hemisphere is good for the United States.

Moreover, Latin America is opening its markets to U.S. exports. This is a region where we face relatively little entrenched resistance to open markets or lower tariffs. Instead, for the most part, we are blessed with good, open, and fair trading partners in Latin America. And as we move forward, we want to make sure that the smaller countries of the region, especially in the Caribbean and Central America, benefit as well.

In the last decade, economic reformers in Latin America cut their tariffs dramatically and unilaterally. Maximum tariffs ran well above 200 percent in the 1970s and 1980s. Today, most countries are committed to lowering maximum rates to 20 percent. Our Latin trading partners lowered their barriers because they recognize that this is the way to raise their economies to competitive, prosperous positions in the global economy.

The countries that have gone farthest in trade liberalization, like Chile, have seen the largest growth, the greatest increase in real wages for their citizens, and the biggest reduction in poverty. We are committed to build on that progress and expand trading opportunities throughout the Americas.

This is what we envision: a community of Western Hemisphere countries linked by open markets and democratic values. A North American Free Trade Agreement is central to that vision. For over half a century, every American President—Democratic and Republican alike—has stood for closer economic cooperation and for more open trade through the hemisphere, beginning with Mexico. Now the leaders and people of Mexico are embracing historic reform—economic and political—to open their country to the global economy.

Through a North American Free Trade Agreement, the United States and Canada have a once-in-a-generation chance to open up a new frontier of trade with our neighbor to the south. And we have a chance to make North American free trade—and cooperation on labor and environmental standards—a model for the rest of the hemisphere and the world.

Mexico is our nation's fastest-growing export market. The economic growth of Mexico—the nation with which we share the longest land border in the world between a developed and a developing nation—is good for our nation's prosperity and good for our security.

Let me state clearly: a North American Free Trade Agreement is in the overriding economic and foreign policy interest of the United States of America. On behalf of the

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President, I also want to assure you that once parallel agreements to strengthen protections for the environment and workers are completed, we will seek and I am confident that we will win—Congressional approval of NAFTA so that it can take effect next year.

President Clinton also intends to build upon NAFTA to expand free trade further south. As the President recently reaffirmed, after NAFTA we are committed to enter negotiations with Chile. Ambassador Kantor will also seek to negotiate with other democratic countries in this hemisphere committed to free market policies.

Our global trading partners should know that we see free trade in the Americas as a building block for a freer world trading system. This hemisphere is united in the desire to achieve a successful Uruguay Round agreement by the end of this year. And I would note that the United States stands today with the entire region, through the OAS, in calling for greater access for our agricultural products to markets in Europe and Japan.

We will continue to urge countries to bring their investment laws and intellectual property protections up to world standards so that these protections apply to domestic and international investors alike. This is not just a North American agenda. Strong patent protections and sound investment regimes are the magnets that will lure new investment and growth to this hemisphere. This Administration will support and contribute to the Multilateral Investment Fund at the Inter-American Development Bank. We will also continue to reduce our neighbors' official debt to the United States through an initiative that dedicates those savings to environmental and child health programs.

This region's free-market reforms—like those elsewhere around the world—are creating more than jobs and growth. They are also creating new middle classes and, in that way, unleashing new political forces and invigorating democracy. For our part, we seek to promote prosperity, equity, and liberty in the Americas in every aspect of our foreign policy.

Throughout the hemisphere, as we are witnessing this week in Paraguay, democratic elections have become the only legitimate means for transferring political power. And the Organization of American States, like no other international body, has taken on a formal collective responsibility to defend the right of all Americans to be governed by the representatives they freely elect. The OAS remains the premier forum in the Americas for dialogue and inter-American cooperation. Under this Administration, the United States will be a full and true partner—and one that pays its dues.

In Central America, we applaud and support the courage and vision of Salvadorans and Nicaraguans struggling to bind up the wounds of war through national reconciliation, establish civilian authority over police and military institutions, defend human rights, and promote economic development. I am encouraged by signs of progress in the peace talks in Guatemala. The United States urges all sides in those negotiations to seize what we believe is a historic opportunity to forge a permanent, just, and lasting peace.

Human rights is the core of our foreign policy. The United States will direct its aid and influence in every way possible to enable the nations of this hemisphere to advance human rights and strengthen the democratic institutions which promote the rule of law.

First, we will support, through our foreign assistance, the development of civil society. In the past two decades, this hemisphere has seen an explosive growth in the number of private organizations, such as labor unions, political parties, community and charity organizations, legal aid and civil liberties groups. These non-governmental groups are vital to genuine democracy

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because they represent and enfranchise citizens at the grass roots. And they are vigilant defenders of democracy and human rights.

We want to work with governments to strengthen key public institutions and the administration of justice. We want to share our experience to help democratic governments to fight corruption and other abuses of power. Corruption is a cancer that will destroy democracy—and investment opportunities—if it is not eradicated.

We will work in partnership with the governments of this region to fight narco-traffickers, whose corruption and violence threaten the survival of democratic institutions. We will work with the OAS to create a common legal framework for action. Let no one doubt our resolve to reduce drug consumption, to enforce our laws, and to help our democratic neighbors defeat the drug-traffickers.

The end of the Cold War and the disappearance of traditional adversaries is recasting the role of the military around the world. We will encourage countries to reduce the level of armaments and prevent costly competition in conventional weaponry. We support the efforts of Latin nations to establish firm civilian authority over the armed forces. And we will cooperate with civilian leaders in this hemisphere to help them enlist their armed forces in international peace-keeping efforts, as they are doing from Croatia to Cambodia, from El Salvador to Mozambique.

Great strides have been made, especially in the countries of the Southern Cone, to control the proliferation of weapons of mass destruction. I believe the day is near when this hemisphere will ban the spread of nuclear, chemical, and biological weapons for all time. And we strongly support that goal.

In our Western Hemisphere community of democracies, there is also an important place for the democracies of the Caribbean Basin. There is no better model of democratic institutions and fierce commitment to human rights and the rule of law than in these nations. We applaud CARICOM's continued positive role in defense of democracy in Haiti.

The people of Haiti have had their electoral mandate thwarted by an illegal regime. President Clinton has made clear that the current situation is unacceptable to us and to the international community. Let no one doubt our position or our resolve. President Clinton is committed to the prompt return of constitutional government and President Aristide. The forces resisting democracy should understand that they cannot—and will not—prevail against the will of the international community. The winds of democracy cannot be resisted.

We are working very closely with Dante Caputo, the special envoy of the United Nations and the OAS, in his effort to negotiate a political settlement. Mr. Caputo's efforts for democracy and peace have been tireless. We are all in his debt. We call on all Haitians to work constructively with Mr. Caputo to speed the day when democracy can be restored. Then the international community will work as never before to develop Haiti's economy, protect human rights, and bolster the institutions vital to a democratic society.

As for Cuba, despite what the people of that nation have been told, the United States poses no military threat to their island. The people of Cuba believe in the revolutionary idea that they have the right to live in freedom. This free hemisphere and the free world support them in their aspirations.

We hope the Cuban people will win their freedom through the kind of peaceful transition which has brought so many other nations into the democratic community. We oppose attempts

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to bring change through violence. But our policy—through the Cuban Democracy Act—is to refuse support for the Castro dictatorship while opening a door to a democratic Cuba to rejoin the inter-American community. Soon the time will come when the Cuban Government can no longer defy political gravity and deny basic guarantees of liberty for the Cuban people.

In conclusion, let me thank you again for all the work you are doing to contribute to the shared prosperity of this hemisphere. Never before in our lifetimes has there been such a convergence of values and goals among all the people of the Americas—North, Central, and South—and the Caribbean Basin. Never has the potential for cooperation and progress been so great.

At the dawn of the 21st century, only seven years from now, I believe we will be a hemisphere of solidly democratic nations—from the Arctic Circle to Argentina, two continents where liberty is inscribed into law; where human rights are rigorously defended and the dignity of all citizens is respected; where free trade and the free flow of ideas enrich the people of every nation.

Together we are putting the foundations in place. This President and his Secretary of State will work with you to realize that vision.