

"Enterprise for the Americas"  
Remarks by  
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to the  
Organization of American States  
before the  
Permanent Council of the OAS  
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On June 27, President Bush spoke to an audience that included, in addition to his cabinet and members of the diplomatic corps accredited to the White House, the President of the Inter-American Development Bank and, representing our organization while the Secretary General was in Latin America, the then Assistant Secretary General of the Organization of American States.

What the President of the United States said a month ago has far-reaching implications for each country in the hemisphere and for the Inter-American System. Let me quote President Bush's own summary of his proposal:

"The three pillars of our new Initiative are trade, investment and debt. To expand trade, I propose that we begin the process of creating a hemisphere-wide free trade zone; to increase investment that we adopt measures to create a new flow of capital into the region; and to further ease the debt -- the burden of debt -- a new approach to debt in the region with important benefits for our environment."

Mr. Chairman, I thank you, sir, for circulating on July 6 as a Permanent Council Information Document the full text of the statement President Bush made to set forth the basic concepts involved in the "Enterprise for the Americas" initiative, together with fact sheets on its Trade, Investment and Debt components and on related Environmental Aspects.

To Ambassador Villar Borda of Colombia, I express my appreciation for his statement last week in which he related these proposals of President Bush to the hemispheric vision of Simon Bolivar. I would like today to take up Ambassador Villar Borda's call for us to seize the opportunity created by the "Enterprise for the Americas" initiative to, and I quote the words used by our distinguished Colombian colleague and friend, "abrir aqui, con espiritu elevado y decidida voluntad, el dialogo que esta haciendo falta en el hemisferio."

My intention this morning is not to seek a resolution or any other definitive action from the Permanent Council. What I do seek is to encourage an exchange of views, today and in the weeks and months ahead, that will contribute to the development of the "Enterprise for the Americas" initiative in ways that take full advantage of opportunities for long-term mutual benefit.

The Administration of President Bush has from the beginning sought new and often increased forms of engagement with Latin America and the Caribbean. The record by now is long and multifaceted. I will make no effort to summarize it here. Rather I would like to recall the words of the Secretary of State, James Baker, speaking to the XIX General Assembly of the OAS last November.

"This democratic hemisphere we are building can become the model for the rest of the planet of a true partnership between the developed and the developing nations -- where trade is free, prosperity is shared, and the benefits of technology are harnessed for all."

At our XX General Assembly in Asuncion less than two months ago, Deputy Secretary Eagleburger made an 8-point U.S. proposal for multilateral cooperation on matters from elections to education and the environment.

Also at Asuncion, the United States was represented at the celebration of the Centennial of the Inter-American System by Ambassador Carla Hills, the United States Trade Representative. Speaking as special representative of President Bush, Ambassador Hills called on the nations of the Americas

"to forge, in the crucible of commerce, a vibrant hemispheric partnership to ensure lasting prosperity for all of our people."

The "Enterprise for the Americas" initiative is thus a natural sequel in the Administration's evolving relations with its neighbors in this hemisphere. In the words of Undersecretary of the Treasury David Mulford, testifying July 18 before the House Committee on Foreign Affairs,

"The President's announcement on June 27 followed a three month review led by Secretary Brady for the Economic Policy Council of U.S. economic policy toward Latin America and the Caribbean. This review concluded that decisive action was necessary to build a stronger and more

comprehensive economic partnership with our neighbors -- in order to support the process of democratic change and growing economic realism in many countries."

Undersecretary Mulford's summary of the key trade component echoes Ambassador Hills presentation at the OASGA:

"A successfully completed Uruguay Round, the negotiation of bilateral framework agreements, and the achievement of Free Trade Agreements, beginning with Mexico -- will help move us toward a long-term vision of a truly open hemispheric trading system."

Undersecretary Mulford's testimony is appended to the copy that will be circulated shortly of my remarks today.

Trade merits our careful attention, for a more open trading system is at once a truly long-term objective and an immediate policy imperative. Let me be specific about the immediacy. Completion of the Uruguay Round is the first and most effective step towards improving the position of the Americas in the world economy.

Let me take a moment to report to you on progress the President made in moving the Uruguay Round negotiations forward, particularly in the area of agriculture, at the July Economic Summit in Houston.

As you know, the European Community's reluctance to change its highly protectionist agricultural regime has long been a stumbling block to negotiations. At the Summit, the "G-7" countries agreed that the successful completion of the Uruguay Round is their highest economic priority, and recognized that fundamental reform of world agriculture is the linchpin of a successful round.

In the President's discussions with European Community members, he emphasized the need for fundamental reform of agriculture, particularly for the benefit of food exporting developing countries. Progress on agricultural trade was made in three ways.

-- First, we believe the Community moved in the right direction in talking about reductions in each area of the negotiations - barriers to market access, internal supports, and importantly, export subsidies.

-- Second, the "G-7" agreed that the text tabled by the Chairman of the Agriculture Negotiating Group, which

specifically refers to the three areas, should be used as a means of intensifying the negotiations.

-- Finally, the President and his counterparts committed themselves to a high level of personal involvement and to the political leadership necessary to ensure the successful outcome of these negotiations.

Since then, at last week's meeting of the Trade Negotiations Committee in Geneva, negotiating texts were developed on each of the 15 negotiating groups, most importantly agriculture. These will provide the framework for the negotiations leading up to the closing ministerial meeting in December.

Obtaining fundamental reform of agricultural trade would act as a powerful spur to growth and prosperity in this hemisphere, not only by liberalizing trade barriers among American nations, but by lowering the enormous barriers to our exports that exist in Europe and Asia.

Thus, the United States hopes that the negotiators of all participating countries from the Americas will seek constructive market-opening results in all areas of the Uruguay Round, so that an ambitious and balanced outcome can be achieved by December. We are raising this point in capitals this week.

Returning to the more general picture, I believe it is important to state that the "Enterprise for the Americas" initiative springs from a vision of fresh opportunity in Latin America and the Caribbean. The President's initiative cannot be separated from the democratic revolution that has swept the hemisphere in our generation. The democratic changes in the hemisphere have given us all new credibility and therefore new bases for cooperation. For the United States, a vision of prosperous and democratic neighbors is a vision of potential realized, of relationships that will strengthen both regional integration and security and that will also help us promote jobs and economic growth at home.

President Bush's initiative thus flows from the new political and economic consensus emerging in the Americas -- one of commitment to free enterprise within a stable framework of democratic government. It reflects our desire to help provide external support to those countries that have made a bold commitment to genuine economic reform. It invites the countries of the Americas to join in building a better neighborhood.

Let me quote Assistant Secretary of State Bernard Aronson:

"I know there are real fears in the hemisphere that the United States will be mesmerized by the changes in Eastern Europe and turn away from the great opportunities before us in Latin America and the Caribbean. Just the opposite is true. The United States under President Bush's leadership is rediscovering its own Latin roots and rightful place in the Americas. Far from disengaging, the United States is reengaging, seeking a partnership based on mutual respect and mutual responsibility with the nations of this hemisphere. The President's vision of a fully democratic hemisphere and a free trade regime throughout the Americas is the highest common challenge of our new partnership."

The "Enterprise for the Americas" initiative expresses a vision of where we should aim to go over the next decade. It is not a unilateral plan for development, nor a predetermined package of quick fixes to specific complaints or problems. It does not pretend to be a detailed or monocolored blueprint. For example, our emphasis on trade and investment rather than aid should not be taken to imply that we are going to stop providing aid. It means that we will make greater efforts to have our aid support sustainable growth through trade and investment. We have no illusions that trade and investment liberalization throughout the hemisphere can be achieved quickly, easily, or unilaterally.

The "Enterprise for the Americas" initiative is thus a process, not a program. It is a process with many distinct elements. Though mutually supportive, they differ in the speed and ease with which they may be implemented and in the volume of the rewards and benefits they offer. Investment flows could be facilitated relatively quickly, for the IDB is prepared now to support reforms. Reduction in official debt will require legislation. A hemispheric free trade agreement seems likely to prove the most difficult to achieve of all, but holds tremendous potential benefits for all our nations.

#### Next steps

The next several months will be critical. The Administration is preparing legislation to submit to the Congress. In addition, August in the United States is a key period for reflection. In the Southern Hemisphere, it is a key period for action and preparation.

In September President Bush will travel to South America. That trip will provide major opportunities for discussion of the actions required to shape the process and move it forward.

One thing we already know: by year's end, the results of the Uruguay Round will have been decided. As I noted earlier, it is essential that our countries have succeeded in their efforts to open up the agricultural sector.

As concerns the OAS, I have a few suggestions for your consideration and comment.

-- First, I hope delegations will report our discussions to capitals and transmit the documents we have provided.

-- Second, I would like to encourage discussion, here in the Permanent Council and elsewhere, of ideas as to how we can best develop the President's proposals for our mutual benefit. To quote Undersecretary Mulford once again, in "successful efforts among neighbors, first steps begin at home, but success is assured by many hands working together."

-- Third, I understand that different entities within our Organization are now exploring what positive contributions they might make in support of the "Enterprise for the Americas" initiative. This is a welcome development. We must decide what contributions, if any, CIES, CIECC, and CECON can make. We should make every effort to ensure that political and technical activities do not work at cross purposes.

-- Fourth, I hope our respective missions will take initiatives to increase dialogue. The Government of Chile, in cooperation with the OAS, is planning to host a ministerial seminar on trade expansion in January 1991 at which the "Enterprise for the Americas" initiative could be discussed. There is no doubt that this seminar will offer a perfect opportunity to factor the lessons of the Uruguay Round into our policies. In a similar vein, the U.S. Mission is exploring ways to use its Centennial Week in September to bring about briefings and seminars on the initiative.

In short, to make this process work requires that we combine vision and detail, a sense of the future as well as a grasp of the present. Let us recall the eloquence of the Presidents who addressed us in Asuncion: . . . President Lacalle on the need to develop a program of action, not for 100 years or 10, or even 5, but 2. . . . President Paz Zamora on the common American home. . . . The American home cannot be built unilaterally. But it can be built if each of us puts his or her manos a la obra.