

The Western Hemisphere: An American Policy Priority

Presidential Priorities and Opportunities in the Americas

Executive Summary

**A Report to the Transition Teams:
State, Defense, Treasury, Commerce, Energy and Justice Departments;
Office of the United States Trade Representative; Office of Management and Budget**

From The

AMERICAS FORUM

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Americas Forum:

Presidential Priorities and Opportunities

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A. Executive Summary: General Principles

The in-coming administration will be led by innovative foreign policy leadership that underscores an objective measure of vital U.S. interests. Highlighting the personal and policy-making experience of the President-elect, this will be reflected by a harmonious, positive image, and a vigorous vision of relations with the peoples of the Americas.

I Immediate Issues:

- ✓ engage early to *achieve a free trade area in the Americas*, and prepare for the scheduled *western hemispheric political summit* in April in Quebec City;
- ✓ *visit with Mexico's new leadership*;
- ✓ anticipate one or more *short-term trouble spots*, especially political crisis in *Haiti*, and possible troublesome financial situation in *Argentina*;
- ✓ *synergize effectively annual narcotics policy cooperation certification* [March 1] with other key policy decisions.
- ✓ *consider asking appointed political ambassadors to remain in their posts until their successors are chosen to ensure initial effectiveness in the region as well as in Washington* of key policy concerns such as trade. At the same time, emphasize energetic candidates for key administration posts affecting regional policy.

I Proactive Measures:

- ✓ refresh and firm up policy approaches regarding mid-term interests:
 - ~ articulate firm *pro-democracy* approach in *Colombia*, and elsewhere in the Northern Tier region of South America, notably Peru in connection with its elections this spring.
 - ~ *recalibrate* maturation of bi-lateral *relations with Brazil*;
 - ~ *sharpen Cuba policy* by avoiding unilateral concessions that may strengthen the current regime, and *adopt an action-oriented strategy* to strengthen the forces of change;
 - ~ *request inter-agency assessment of regional defense and security policy*, as well as the *war on drugs*;
 - ~ *request the Department of the Treasury to lead an inter-agency review of the status of and outlook for dollarization* and its relationship to other U.S. strategic interests;
 - ~ *request the Department of Energy to refine the anchors of a Hemispheric Energy Policy*, integrated into other regional priorities;
 - ~ *formulate functional regional policy interests*, especially *technology, the environment, and education*.
- ✓ lay out *Presidential travel schedule to friends and allies, including Mexico and South America* during the course of 2001.

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B. Executive Summary: Strategy

Energizing the Western Hemisphere to the front rank of this country's foreign policy concerns will stand in stark contrast to the relative neglect there in recent years. This will provide a vivid example, perhaps the most personal one from President-elect George W. Bush, of the kind of sustained leadership required to carry our nation's interests successfully into the new world of the 21st Century—the “*Century of the Americas*”.

Objectives:

~ *Freedom and Democracy* ~ Dedication to democracy and the perfection of the institutions that sustain it as the right of all American peoples – as well as to ensure progressively greater civil and political freedoms, social equality, and freedom from oppression, corruption, crime and violence.

~ *Strategic Cooperation* ~ Anchored by overlapping interests and maturing respect, greater cooperation among the nations of the Hemisphere and representation of inter-American views to the wider world in such areas as energy interdependence, information technology, international peacekeeping, and protection of the environment.

~ *Market Economics* ~ Reliance on market-based economic policies and free trade as the best means of realizing developmental aspirations throughout the Americas.

180-day Imperatives:

✓ **TRADE** — Provide the President with the credibility necessary to make a comprehensive statement of his vision for the hemisphere at the Quebec City Summit of its chief executives scheduled for April 20-22 of 2001.

~ Foreshadow enhanced attention to the Western Hemisphere in the new *President's inaugural address* and subsequent statements by senior administration officials.

~ Promptly seek from Congress *fast-track authority*; deploy administration leadership for energetic, unceasing efforts toward consummation of an all-embracing *Free Trade Area of the Americas (FTAA)* by the agreed-upon date of 2005 (or possibly earlier).

~ Move ahead with the recently announced *negotiations* aimed at forging a bilateral free trade agreement *with Chile* and coordinating that closely with U.S. FTAA strategy.

~ *Further energize Washington's economic relationship with Brazil*, the world's 8th largest economy, and address corresponding political interests.

✓ **FLASH POINTS — Prepare the President for a number of early flash points with the potential to consume administration resources.**

~ *Haiti*: electoral shambles, and narco-state economic collapse are unacceptable foundations for U.S. policy.

➡ This suggests the need for a more credible approach by the Bush administration *prior* to the nominal inauguration of a new regime in Haiti in early February.

~ *Colombia and neighbors*: to confront the steadily deteriorating politico-security situation in Colombia, a much firmer, more substantial political commitment will be necessary from Washington and other capitals.

➡ The March 1 drug policy cooperation certification, and a decision soon thereafter to renew a Plan Colombia aid package are two immediate decision-points.

➡ In tandem, attention is also required to neighboring Panama, Ecuador, Peru, Bolivia, and Brazil as integral part of U.S. strategy. Long regarded as a model of South American democracy and a staunch ally, the U.S.-Venezuelan relationship has entered a more troubling phase, requiring caution as well as political fortitude.

~ *Argentina*: Representing a significant regional relationship, the U.S. backed an IMF \$40 billion loan, in which U.S, European, and Argentine banks will participate. It will meet Argentina's financing needs and further liberalize the economy, but failure could have implications for financial markets and political stability.

➡ Avoiding default demands very close coordination with the IMF, IDB, and World Bank and key allies in the first two quarters of 2001, as Argentina's debt constitutes 25% of global emerging market tradable debt. Argentina's reform agenda should be monitored throughout 2001.

✓ **THE AMERICAS AS AN OPPORTUNITY — Prepare the President to stay on message. Free trade requires a political consensus, a consensus that will need to be secured within the region as much as within the United States. This also requires strengthened hemispheric institutions.**

~ *Strengthening hemispheric institutions*: capitalize on strengths of existing Inter-American mechanisms, provide support where necessary and feasible, and minimize the creation of duplicating vehicles.

➡ There is a need for an *integrated review of capabilities* within the Organization of American States, the Inter-American Development Bank, perhaps other regional institutions, to identify strong programs and

mechanisms which the U.S. should support and areas which need improvement.

~ *The link between a democratic community and regional security:* The effectiveness of inter-American politico-security institutions to insure better multilateral cooperation has become an indispensable, long-term counterpart to the economic community now emerging in this Hemisphere through an FTAA.

- *Defend* a democratic regional community,
- *Counteract* anti-free market forces,
- *Promote* a secure and prosperous Western Hemisphere as a unique strategic national advantage, that could become a serious liability if ignored.

~ More politically ambiguous and threatening political-economic-social questions—*new millennium security issues*—have outflanked traditional considerations of interstate warfare. It remains uncertain that existing mechanisms anchored by the Organization of American States (OAS) can, alone, truly lead a reform toward new security mechanisms.

- A *bottom-up review of U.S. interests and capabilities* is urgently required, including attention to global organized crime, cyber-warfare and threats to information technology, and the need for measured conventional weapons modernization and military professionalization.

- An early-related decision includes the controversial *process of certifying the compliance of countries with U.S. counter-narcotics policies* that must, by law, take place before March 1, 2001.

✓ A COMMUNITY OF INTERESTS WITH NEIGHBORS — Provide the President with the framework to energize our closest relationships: Mexico, Canada, and the Caribbean Basin.

~ *Mexico:* Dynamic new administrations in both countries provide unique opportunities to reinforce an already special but also challenging relationship.

- The first marker should be a *visit between president Bush and his Mexican counterpart, Vicente Fox*, at the earliest possible time. The new administration needs to encourage the Mexican leader to make an *early visit to Washington* and also address the U.S. Congress.

~ *Canada:* Ties with our northern neighbor may be the most varied, complex, and least visible of U.S. foreign relationships.

- The new President would do well to *meet with his Canadian counterpart prior to the Quebec City summit* in mid-April. He should use this

opportunity to *encourage a review process* that takes stock of this strategic and overlooked *Americas* relationship, which is being altered by a tremendous growth in trade.

~ *The Caribbean and Central America*: Seeking a more complete trade and investment parity with NAFTA is only one of three inter-connected mid-term policy concerns. The other two are narco-trafficking and the erosion of the democratic process, *and* immigration and refugee issues.

➤ **Cuba's and Haiti's ruined polity are holding back regional Caribbean developments. The new administration needs to revisit ways to engage the Caribbean in a partnership for democracy and 21st century economic competitiveness.**

➤ **Central America's democratic process, despite great strides, faces tests. National elections in late 2001 in Nicaragua bear early and close monitoring.**

**✓ HEMISPHERIC ENERGY POLICY and short-term winter U.S. shortfalls —
Encourage the President to capitalize on the Western Hemisphere's relative energy self-sufficiency, with Canada, Mexico, and Venezuela representing strategic partners.**

~ An explicit *energy component to ongoing free trade discussions* has already been mentioned by the Bush team during the campaign.

➤ ***This should be restated in the President's inaugural address as a policy priority* both in its U.S. domestic context as well as a significant contribution to calibrating effectively Western Hemisphere energy opportunities.**

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2001 Calendar affecting the Americas		
Date	Event	Location
January	Parliamentary elections	Guyana
January	Colombia begins UN Security Council term	
January 17	School of the Americas closes, to be replaced by Western Hemisphere Institute for Security Cooperation	
February 7	Haitian presidential inauguration	
February	XXI Meeting of the Summit Implementation Review Group	
February	Ministerial Meeting on Energy	Cancún, México
March 1	U.S. President submits list of major illicit drug producing and transiting countries that are certified as fully cooperative for 30-day review by Congress	Washington, DC
March 7-9	Inaugural Meeting of the Inter-American Parliamentary Forum	Ottawa, Canada
March 12-13	Inter-American Juridical Committee (IAJC), Winter Meeting	Ottawa, Canada
March 14-15	Meeting of Transport Ministers	Uruguay
March 19-21	Inter-American Development Bank (IDB) Annual Meeting	Santiago, Chile
March 20-21	Western Hemispheric Finance Ministers Meeting	Toronto, Canada
March 29-30	Ministerial Meeting on Environment	Montreal, Canada
April 5-6	Americas Business Forum	Buenos Aires, Argentina
April 7	FTAA Trade Ministers Meeting	Buenos Aires, Argentina
April 8	Presidential/parliamentary elections	Peru
April 20-22	III Summit of the Americas	Quebec City, Canada
June 3-5	XXXI OAS General Assembly	Costa Rica
July	EU-MECOSUR/SUL negotiations on tariffs and services	
July 20-21	G-8 Summit	Genoa, Italy
October 2-4	IMF/World Bank Annual Meetings	Washington, DC
October 15-17	Labor Ministerial of the Americas	Ottawa, Canada
October	Legislative elections	Argentina
November	U.S. listing of major illicit drug producing and transiting countries	Washington, DC
November	Ibero-American Summit	Lima, Peru
November	Presidential/legislative elections	Honduras
December	Legislative elections	Chile
Tba	2001 Association of Caribbean States Business Forum	Cancún, México

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