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**THE UNITED STATES AND SOUTH AMERICA --
WHERE DO WE GO FROM HERE?**

CORE COURSE (IV) ESSAY

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The United States and South America -- Where Do We Go From Here?

"In Latin America, authoritarian regimes of the right and the left have yielded to open, market economies. What was a somewhat defensive nationalism is being overcome by a new kind of nationalism which stresses possibility over dependency, one that welcomes relations with the United States." This passage, written by Vice President Al Gore, is consistent with the philosophy that there is "a new moment in the Americas." The question which seems to follow, almost immediately, is, "Where do we go from here?" The focus of United States' foreign policy has hardly been centered on Latin America. What are our national interests in the region? Where are our neighbors to the south headed? Is it our policy to help them chart their course? Do we have the means to do it? All of these questions deserve serious consideration, and this paper is devoted to them.

INTERESTS

The United States has clearly stated its interests in the region to be the continued economic growth of our trading partners, the further development and stabilization of democratic governments, the peaceful resolution of inter-state conflicts, and the cooperative confrontation of growing transnational threats (ie drug trafficking, terrorism, arms control, the environment, etc).

U S commitment to economic development in Latin America was reconfirmed during the most recent "Summit of the Americas" held in Miami. Although the rhetoric has been somewhat quieted since the Mexican Peso crisis, our economic futures still appear to be inalterably linked. U S exports to Latin America have continued to grow at double digit

rates U.S. investors have funneled extraordinary amounts of capital into the financial markets of Buenos Aires and Sao Paolo. Recent exports to Chile have equaled our exports to India, and Brazil has imported as much from us as all of Eastern Europe and the former republics of the Soviet Union, including Russia. We import almost as much oil from Venezuela as we do from Saudi Arabia. It is plain to see that our interests would be well served by increased economic growth and free trade between our two continents.

The existence of democratic governments in our hemisphere has always been a stated interest of the United States. This will not change in the foreseeable future. The most recent reassurance of this fact came from Secretary of Defense William Perry during the first-ever meeting of Defense Ministers of the Americas held in Williamsburg, Virginia in July 1995. The Secretary made it clear that no crisis facing any OAS member state justifies the breach of the system of representative democracy. The U.S. has made good on its commitment to these principles very recently in Haiti, and it will continue to hold firm on this issue throughout the region.

The many border disputes around the continent of South America represent potential conflict in the area. Insurgent and guerrilla forces continue to operate in several countries. It appears to be consistent with U.S. interests to provide active diplomatic support for peaceful resolution of hostilities in our hemisphere, but where do we draw the line?

The most active involvement of U.S. military force in Latin America has been in the war against drugs. Although efforts to interdict shipments bound for the United States will continue, it would be in our interest to see the source of this burgeoning drug trade shut off. What should our policy be toward Peru, Bolivia, and Colombia, and how many resources should we devote to this cause?

We will witness economic and political changes in Latin America in the decades to come, but perhaps these will represent progress toward pluralism rather than regression toward authoritarianism. According to Beatrice Mantilla, former Chief of Staff to the President of Venezuela, "Economic openings and genuine competition virtually guarantee the continued emergence of new groups that will participate in decision making." Some economists estimate that the Southern Common Market, MERCOSUR, made up of Argentina, Brazil, Uruguay and Paraguay will see an annual growth rate of 7 percent for the years 1995-2000. How will the U.S. ensure that it participates in this growth?

THREATS AND CHALLENGES

As we consider the above interests and before we determine what new directions U.S. policy for the region should take, we need to determine the critical challenges or threats to U.S. interests, and the opportunities for promoting them. Are these recognized in current policy?

As outlined in numerous articles and lectures on the subject, there are three main challenges to U.S. interests in South America, and each one has been recognized by the Clinton administration. They are: 1) Continued growing, production, and distribution of illegal drugs, usually in the final form of cocaine, 2) The possible failures of current representational regimes in the region which could place in jeopardy the future of freely-elected democratic governments in several states, and 3) The existence of tariff and non-tariff barriers to trade between all countries, not only intracontinental but globally as well. Only through aggressive market economy strategies can we ultimately achieve a free-trade hemisphere. Although not considered a main challenge, at this point, concerns about the environment need to be addressed as the South American economies begin to expand.

Each of these issues bring with them a unique set of circumstances which must be confronted in order for the United States to meet its national objectives

As we study the war on drugs, we see that the United States has spent billions of dollars trying to stem the flow of illegal drugs from South America. President Clinton has articulated in his National Drug Control Strategy that narcotics trafficking is “a criminal activity that threatens democratic institutions, fuels terrorism and human rights abuses, and undermines economic development. Drug use puts our entire Nation at risk.” Although the demand for illegal drugs comes mainly from the U.S., we continue to pressure those governments, whose countries grow and export the majority of the illegal drugs, for a more active role in fighting the production of these drugs. The main countries of concern are Columbia, Peru and Bolivia. While the U.S. has provided a significant amount of aid to fight the drug war within the South American continent, it seems as though the U.S. government fails to understand the plight of these governments as they attempt to eradicate illegal drug production. The standard of living which drug lords can provide to indigenous farmers is significantly higher than what a farmer can make growing legitimate crops such as cotton, soybeans or coffee. In a poorer country like Bolivia, drug trade provides a significant portion of the country’s domestic product and keeps its economy from going bankrupt. There is a strong correlation between these countries’ economies and the number of citizens involved with drug trafficking. Furthermore, as the U.S. continues to pressure these governments to use their military forces, there will be a reluctance by the population to trust its military force to execute an effective drug eradication program without impacting human rights. Many civilians do not trust their military, especially after suffering during past years of military autocratic rule. They are afraid of returning power to the military. The United States will have a dilemma on its hands if documented human rights abuses associated with the drug eradication program

are discovered. An active program to guarantee the rights of all citizens must be promoted

Why must we promote freely-elected democratic governments? Operating from its basic premise that democratic governments do not go to war against each other, the United States will continue to do whatever is possible to support a fully democratic South American continent. A strong threat to this challenge will again fall upon the human rights mantle. Although all of the governments in South America are democratic, the commitment to democratic ideas by some of the elected leaders is suspect. President Fujimori of Peru disbanded his Congress when they failed to support his policies, and recently the President of Colombia was placed under investigation for having direct ties to his country's drug lords. The balancing game the U.S. finds itself in with these countries is similar to its former relations with "friendly dictators" like former Philippine President Ferdinand Marcos, Roh Tae Woo of South Korea, and Chiang Kai-Shek of Taiwan. A careful strategy must be crafted in order to satisfy both of America's interests within South America -- leading the fight against illegal drugs and promoting democratic ideas based on individual freedoms devoid of any human rights abuses. Success for democratic governments will continue as long as the U.S. assists in building strong market economies within those countries. A good, strong economy which raises the population's standard of living is a very positive reinforcement for continued democratic societies.

Trade barriers must be avoided. With South America's fledgling democracies comes very exciting and potentially lucrative market economies. The U.S. is committed to seeing a growing and stable market economy throughout the continent. As American investors continue to invest in South American markets the only threat they will face is the future stability of the regional economies. Since the South American economies are becoming more integrated, the fall of one economy will have a reverberating effect on the others.

One only needs to look at the recent Mexican Peso collapse to see how it effected the entire hemisphere. The main threat will be the stability of the region not through, necessarily, internal revolution but through an external market retraction of some form. Furthermore, we must consider the plight of the indigenous population as economies grow and the continent moves towards a freer form of trade. Will a majority of the population enjoy the fruits of its labor as its economy expands or will corruption rob the people of a proportional rise in their standard of living? If they have to suffer more economic distress either through corruption or a loss of jobs due to competition, then how much longer can the leaders of the country expect support for their form of government? Will this continuance of misery cause the rebirth of revolutionary movements, advocating the overthrow of current administrations? Satisfying the local population has to be a major concern as the South American countries achieve new heights in economic growth. Continued emphasis for greater trade must include provisions for equal opportunity for the indigenous masses.

Also, as each country's economy begins to prosper, appropriate environmental measures should be taken to preserve the eco-system. Strong demand for industrialization will create pressure to sacrifice the environment for profit. The U.S. should demand that economic growth be tempered by strong environmental controls.

POLICY OBJECTIVES

So, with all of these interests and challenges, what should be the real objectives of U.S. policy? How should we prioritize them? The objectives of U.S. policy should be to support and encourage democratic reform, to expand access to regional economic markets, to combat the illegal narcotics industry, to foster the peaceful resolution of disputes and develop confidence- and security-building measures appropriate to the

region, to expand and deepen defense cooperation with the countries of the region in support of common objectives, encouraging them to improve capabilities for joint actions, including international peacekeeping; and to encourage efforts to prevent the proliferation of Weapons of Mass Destruction and associated delivery systems as well as other arms control initiatives of common benefit.

Of course, we need to prioritize these objectives as they apply to both the region and to the separate countries involved. The above list accurately portrays our objectives as they apply to South America as a region. The ordering of these same objectives, however, may vary according to specific country. For example, it would be accurate to describe our most important objective in Colombia as combatting the illegal narcotics industry. Whereas, in Ecuador and Peru, our most important objective is currently to encourage the peaceful resolution of border disputes.

What means of influence/power does the U.S. possess to protect and advance its interests? The U.S. has many tools which it can use to advance and protect its interests. Of the most powerful, which are often overlooked, are the symbolic values which represent the success of our democratic form of government, our respect for human and individual rights and our brand of free-market capitalism. These aspects of our national life are very much admired throughout the world, and we try to foster increased understanding through a variety of U.S. Government-sponsored programs, such as USIA Exchange Visitors, IMET, and Fulbright scholarships.

The U.S. also can exert influence through its membership in various regional organizations, such as the Organization of American States and the Inter-American Defense Board, as well as international associations, such as the United Nations and the

World Trade Organization Finally, the U.S. can also call upon its diplomatic, military, law-enforcement, financial and intelligence resources to advance and protect its interests

Which tools of statecraft does current policy rely on? In South America, the U.S. relies on all of the tools of statecraft available to it, and which tool is preferred depends on the objective. In general, the U.S. prefers to rely on regional and international organizations. The U.S. approach to drug cultivation and trafficking is centered around its own resources in a bilateral setting. Since funding for foreign assistance and exchange programs are undergoing such drastic cuts, these instruments will be less important in the future. Our drug policy in South America appears to have been almost spectacularly unsuccessful, and we should at least look carefully at devising strategies that approach the problem regionally rather than bilaterally and with a view towards shrinking the drug market in the U.S. In light of our general multilateral approach to the region, our participation in regional and international organizations will probably be most effective. However, we should always be able to ensure that our diplomatic and military resources are sufficient to provide us with the wherewithal to advance and defend our interests.

In summary, the countries of South America represent some very important and unique interests, challenges, and threats for policy makers to consider. The United States should look to remain engaged in the region by setting its sights on achievable objectives. It is most important for the U.S. to remember that the Latin American region represents a number of extremely diverse cultures with a major trait in common. They all desire a relationship with the United States based upon mutual respect and equal treatment, and the buzzword will be cooperation -- not control.