



Remarks at the Association of American Chambers of Commerce in Latin America (AACCLA) 40th Annual Meeting

John D. Negroponte, Deputy Secretary of State
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Thank you for your kind introduction, Kathleen. It's a pleasure to be here at the 40th Meeting of the Association of the American Chambers of Commerce in Latin America. I'd like to personally thank Kathleen and the U.S. Chamber of Commerce for hosting this conference. Secretary Rice sends her best wishes and thanks for everything that the AACCLA does to promote trade and investment between the nations of Latin America and the U.S.

Ladies and Gentlemen: We have defined 2007 as a year of great engagement with Latin America. We are able to see with unusual clarity a convergence of purpose in the hemisphere. This moment grows out of a long and bipartisan effort in U.S. policy, and we are building on that tradition. Our priorities and interests align closely with those of our democratic neighbors, and we are setting the foundation for a more secure and stable Western Hemisphere.

For me personally, this year of engagement with our partners in the Americas has added meaning. The joy of having had many birthdays gives you a generous amount of what some people call "historical perspective."

As a young diplomat, I was seized by President Kennedy's clear vision of a prosperous and successful hemisphere, or as he called it, an "alliance for progress." As an observer and a participant in the region over the last half century, I am struck by the remarkable consensus that has developed – from the left, to the right, and across the whole democratic spectrum – about what comprises "success" in the Americas.

In the Americas today, there is now a broad social, economic, and political consensus on some fundamental principles that define this region, that will guide its growing success, and that will help the people of our hemisphere to adapt and thrive in a global economy and era. A line in the Inter-American Democratic Charter, signed by every country in the region save one, sums up this new consensus elegantly: "Democracy is essential for the social, political, and economic development of the Americas."

The democratic leaders of the hemisphere agree about what success means, as do the people who elected them: It means broad-based, sustained, and market-led growth — economic development that can provide expand opportunity for all citizens, and help people meet their own needs and expectations.

Committed democrats throughout the hemisphere are seeking to expand social justice and tackle challenges like inequality and crime. They are working to deliver services like education and health – pressing needs that are key to human development, and to making a society competitive in today's global, knowledge-based economy.

This is the agenda of democratic leaders of the left, right, and center, and it is the agenda that guides our engagement in the region. When I visited Colombia, Ecuador, Peru and Panama this past May, I was impressed at how much this vision is already transforming lives and building opportunity, and I was struck by the still enormous and untapped potential for prosperity that exists across the region. You can see this energy and dynamism in a city like Bogota, where you would have no idea that, just several years ago, a country-wide conflict threatened the very existence of the Colombian state.

The compelling and positive vision of a better future that you see in countries like Colombia and Brazil, Panama and Peru stands in contrast to alternative visions that, despite their promises, have never improved the lives of real people. It is no coincidence that a trading nation like democratic Chile has lowered its poverty rate to under 14 percent at the same time it opened its doors to the world.

Authoritarianism has inflicted great harm on the region's people in the past. And it will do so again, inevitably, and

tragically, as it is already, in countries like Venezuela, where Hugo Chavez is rolling back the checks and balances, the separation of power, and the personal freedoms that are the very essence of liberal democracy.

Fortunately, almost everywhere else in the region, democratic leaders are committed to practices of political and economic freedom that are producing real development and growth. And as these leaders work to reinforce the link between democracy and development, it is in America's overwhelming national interest to stand with them in real partnership, and do all we can to help them succeed.

One way that we are supporting the success of our democratic partners is through carefully focused foreign assistance. The United States has nearly doubled foreign assistance to the Americas since the start of this administration. We are supporting our partners in their own efforts to bolster the rule of law; to expand economic opportunity for indigenous and other marginalized groups; and to fight narco-trafficking, corruption, and diseases like HIV/AIDS; to protect the environment, and so much more.

This assistance has a direct and catalytic impact, but we know that the need is much greater. So we are complementing our assistance with creative new partnerships with governments, civil society, and the private sector throughout the hemisphere.

One such effort is the Millennium Challenge Account initiative, which directs development grants to those countries with proven records of governing justly, advancing economic freedom, and investing in people. Through the Millennium Challenge Corporation, we are making long-term investments in the success of responsible governments in places like Honduras and El Salvador, and hopefully more to come.

We have also worked with the private sector to lower the cost of remittances. USAID and the Treasury Department are working with credit unions and microfinance institutions to facilitate the vast flow of money, approaching \$70 billion a year, that Latin Americans working here in the United States send to their families in the region. This money is vital income and investment that has a major positive impact for millions of people in the region.

Initiatives like these are important and necessary. But there is nothing we can do to build success in the hemisphere more rapidly, more effectively, or in a more sustainable way, than expanding free and fair trade.

Open markets and expanded opportunity are transformational forces. They create powerful incentives for countries to strengthen the institutions of representative democracy, boost accountability and the rule of law, and facilitate the workings of modern, efficient economies. Trade fosters human opportunities that build hope and give people a stake in their society's success. Those opportunities also provide attractive alternatives to the illicit activities or the illegal immigration that some of the region's poorest turn to in their desperation.

President Bush has advanced and built upon the vision of his predecessors -- promoting our economic integration with the region as a powerful engine of opportunity. We have negotiated more FTAs than all previous U.S. administrations combined. The President's eight trips to the region, and the many free trade agreements we have signed since 2001, attest to a remarkable level of engagement and commitment to its success.

Building on NAFTA, we have implemented free trade agreements with Chile, the Central American countries, and the Dominican Republic. We have concluded agreements, pending Congressional approval, with Peru, Colombia, and Panama. Today, the free trade partnerships we have solidified have the potential to span nearly the entirety of our continent -- from the Bering Strait, along the Pacific coastline, to Tierra del Fuego at the very tip of the hemisphere.

These trade agreements, with their careful provisions for labor and environmental protection, will cumulatively boost two way trade and investment flows by hundreds and hundreds of billions of dollars over time. This will generate resources and opportunities that will make a decisive difference for societies that have opted to move beyond legacies of inequality, social exclusion, and poverty.

No country more embodies this choice than Colombia, the third most populous country in Latin America. With grit, courage, and resolve, the committed leaders and talented people of that great nation are bringing an end to decades of violence that brought their nation to the brink of failure. They have embraced political and economic freedom as the path to social justice, prosperity and reconciliation, and they are experiencing some dramatic results so far.

During Colombia's darkest days, the United States, with bipartisan support, stood together with its people. We helped Colombians as they fought narco-terrorists who threatened to destroy the country's institutions, to destabilize its neighbors, and to spread violence and suffering far beyond its borders. We were proud to help Colombia's people as they seized control of their future and embraced the promise of an open trading relationship with the world's largest economy. Today,

that promise has helped Colombia to achieve a level of political and economic progress that was simply unimaginable a few years ago.

Ladies and Gentlemen: three of our key democratic partners – Colombia, Panama, and Peru – have made strategic commitments to their future by signing trade agreements with us.

What is at stake for us is much more than domestic economics; it is the success of a positive vision for the Americas that successive U.S. administrations, of both parties, have wisely supported and nurtured ... a vision that reflects our own most basic national interests of peace and prosperity ... and a vision that has become a unifying force across ethnic, political, and social lines all across the region.

We should be absolutely clear of the consequences of not passing these agreements. If the United States does not stand with the true democrats of the Americas, who want to better their people's lives not dominate them, then we will demonstrate exactly what the new autocrats are arguing – that democracy cannot deliver real benefits, that free markets and free trade are a road leading only to empty promises, and that the United States of America will not even stand with its best friends.

Put simply: Failing to pass the FTAs with Peru, Panama, and especially Colombia would be a win for Hugo Chavez and a defeat for the forces of democracy in the hemisphere.

So for these reasons, and many others, I urge Congress to approve the Free Trade Agreements with Colombia, Panama, and Peru.

Ladies and Gentlemen: America is committed to the promise of a democratic hemisphere. And to help realize this promise, we stand ready to work with any government that is committed to democracy, both in principle and in practice. We are fully committed to the success of our democratic partners. And we will help our friends and neighbors to build free, prosperous, and inclusive societies that benefit their citizens – and that secure a lasting peace in the Americas.

I want to thank all of you for inviting me to speak with you today. And now I would be happy to take your questions. Thank you.

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