

Promoting Peace and Prosperity in Colombia

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Thank you Susan Segal for that kind introduction. I would also like to thank Eric Farnsworth of the Council's Washington, DC office for your effective advocacy on behalf of the Colombia Free Trade Agreement. I'm very pleased to be with you all this evening. I would like to thank the Council of the Americas for hosting this event and inviting me here to speak with you about our vision for the future of Latin America and in particular about Colombia's place in that vision. In many respects, the significant progress that has taken place in Colombia in recent years is a reflection of positive trends elsewhere in the region. Indeed, in reflecting on trends in the hemisphere -- and in Colombia in particular -- I see considerable reason for optimism, an optimism I hope to share with you this evening.

The American view of the future of Latin America -- a vision we share with nearly all of our hemispheric neighbors -- is elegant in its simplicity. Indeed, it can be expressed in three points: First, we seek the further consolidation of democracy and democratic institutions. On this point, our hemispheric neighbors have much to be proud of: only one of 35 countries in the hemisphere has failed to achieve the democratic aspirations of its people, with Cuba still stymied by a spent dictatorship.

Second, we seek a Latin America that embraces free markets, free trade and economic integration. In embracing these goals, we understand they are not ends in themselves, but rather a means -- the only time-tested means -- to ensure the steady economic growth necessary to lift millions of Latin Americans out of poverty, which surely is the single greatest challenge facing the hemisphere.

And third, we seek a Latin America that defends and promotes the dignity of all its inhabitants, a region in which human rights are fully respected, the excluded are embraced, and in which age-old inequalities are at last vanquished. In short, an Americas where social justice is a paramount goal of all of us.

We have no secret strategy in pursuing this vision. We will work with any democratic government that is willing to put differences aside to meet shared objectives. We impose no ideological litmus test on potential partners in the region, and do not fear political differences. We have forged productive relationships with governments from across the political spectrum, from the Lula administration in Brazil and the Bachelet administration in Chile to the Calderon and Uribe administrations in Mexico and Colombia. Frankly, there is a great deal in common among these governments: all are committed to democracy and the rule of law, and all are seeking pragmatic solutions to age-old problems, to bring the benefits

of prosperity to their people. I count as one of our great achievements that our country is now able to enjoy good relations with center-left, center, and center-right Latin American governments.

To take the case of Brazil, while Presidents Bush and Lula may have philosophical differences, their shared commitment to progress has forged a formidable personal and diplomatic partnership on issues ranging from energy to the UN Stabilization Mission in Haiti to development cooperation in Africa. Indeed, I believe my friends in Itamaraty would agree that our partnership with Brazil is broader and more productive today than ever before, and that we are better able to address our occasional differences in the spirit of cooperation.

Our most ambitious initiative with Brazil, and the cornerstone of our new strategic partnership, is a joint venture to work on the development of biofuels as an alternative energy source. I've been to Brazil twice this year to work on this initiative. With our two countries accounting for two-thirds of global biofuel production and leading the world in biofuels research, we form an ideal team to make biofuels a viable, 21st century alternative to fossil fuels. Central to this initiative is our plan to engage other regional partners, including the Dominican Republic, El Salvador, Haiti and St. Kitts, to ensure that the economic benefits of this initiative are enjoyed broadly in the hemisphere.

Our growing strategic partnership with Brazil is but one example of our continued engagement with the region at the very highest levels and on many different fronts. Surely no area of engagement is of greater significance than our Security Cooperation Initiative for Mexico and Central America, announced just today in Washington. This initiative reflects the understanding that drug-trafficking, organized crime and endemic violence reflect perhaps the single greatest obstacle to progress in Mexico and the Central American republics, and that trans-border crime is a shared problem that requires a joint response. It also reflects the fact that in President Felipe Calderon, we have a partner who has the commitment and courage to confront this problem head-on.

The initiative envisions funding of \$1.4 billion over several years.

Today, President Bush submitted to Congress a supplemental budget request for \$550 million to be allocated to this purpose, \$500 million of it for Mexico. The overall plan, called the Merida Initiative on Regional Security Cooperation, is comprehensive, combining equipment, training, and technical support, and is focused on Counter-narcotics, Counterterrorism, and Border Security; Public Security and Law Enforcement; and Institution Building and the Rule of Law. We believe the moment is right to tackle the region's serious security challenges in a comprehensive, trans-national way and are confident that our carefully balanced package will yield results.

Having described for you our vision for Latin America and several key initiatives in pursuit of this vision, I would like to turn specifically to Colombia, to talk about the remarkable transformation it has undergone

over the past decade, and what we must do to help ensure its continued progress.

In my view, the case for continued U.S. support of Colombia could not be more self-evident. As a key U.S. ally in the region, a stable Colombia is absolutely essential to the security of our hemisphere. To that end, over many years and with bipartisan support, the United States has made a substantial investment in Colombia's successful struggle against narco-terrorism, bilaterally, as well as multilaterally through the Organization of American States. This investment has begun to bear fruit, and there are important signs that Colombia has turned a corner in its effort to bring security, prosperity, and justice to its citizens. We now have a unique, even historic opportunity, to make a strategic commitment that will allow Colombia to build upon recent progress and finally emerge from a ruinous conflict. It is an opportunity we must not allow to pass. Those of you who follow Colombia would surely agree that this is the most promising moment we have seen there in decades. In fact, a traveler to Bogota or Cali or Medellin who had not visited in a decade would not recognize the Colombia of today. Today, security is dramatically improved. Homicides have dropped 40 percent, kidnappings by 76 percent, and terrorist attacks by 61 percent.

The economy is rebounding, and people's lives are improving. Economic growth reached 6.8 percent in 2006 -- the highest in eight years. Unemployment fell from 15 percent at the beginning of Plan Colombia to 11 percent in 2006. Poverty levels decreased by nearly 20 percent over the same period. These statistics aren't just impressive numbers -- they represent real changes in the lives of millions of Colombians.

It is important to understand the historic challenge that Colombia has courageously and successfully confronted to produce this kind of change. Many drug cartels have been dismantled. Colombia has extradited more than 600 criminals -- mostly drug traffickers -- to the United States. Since 2001, cocaine production has fallen by a third, and seizures of cocaine bound for the United States have more than doubled. Huge swaths of land have been reclaimed from terrorist organizations, which are now on the run. Colombia has demobilized over 31,000 paramilitary members and is doing what no other country has attempted during a peace process: holding irregular forces accountable for their crimes. Mayors have returned to their towns. Roads are open. Displaced farmers are returning. Colombia has laid the foundation for bringing government services to newly secured areas, and investment in alternative development and social services has grown. For perhaps the first time, the central government is making a concerted effort to bring public services to long-marginalized Afro-Colombian and indigenous communities, and to integrate them into the national fabric.

There is no question that many problems remain. The U.S. has reminded Colombia that it must improve its human rights record. Colombia has committed itself to ending impunity. With the historic transformation of

its criminal justice system, many cases proceed from arrest to verdict in months instead of years. Conviction rates have increased from under 3 percent to over 60 percent. Still, there is room for further improvement. The picture of Colombia today is one where people have real hope for their future -- for the first time in decades. This change is largely a product of heroic efforts by Uribe and the Colombian people and what has been a bipartisan policy of U.S. assistance through Plan Colombia. President Uribe has manifested unusual courage in making the tough decisions necessary to bring his country back from the brink.

Today the U.S. finds itself at a crucial crossroads in our relations with Colombia. Colombia has come a long way since Plan Colombia began, although there is still a ways to go. Although significant challenges remain, we must not lose sight of what is clear: the Colombian government and people are making progress toward peace, justice, and prosperity. While some of its neighbors have embraced false populism and authoritarian leaders, Colombia has embraced democratic governance and open markets. Colombia has made a strategic choice for a better future for its people, and needs our support in doing so. It is time for us to make the strategic choice to stand beside Colombia and its people.

The pending Free Trade Agreement (FTA) with Colombia is surely one of the most important means by which we can support Colombia in its success and encourage yet further progress. Over the last decade, our leaders -- first President Clinton and now President Bush -- have made a commitment to the hemisphere. Now, with the three pending FTAs -- with Peru, Colombia, and Panama -- that commitment is being advanced further; indeed, these agreements would write that commitment into law. While our bilateral assistance has been instrumental in Colombia's hard-won security gains, the Free Trade Agreement is essential for creating new economic opportunities that will address lingering poverty and provide vital alternatives to drugs and violence.

The agreement will bring increased economic opportunity to the people of Colombia through sustained economic growth, new employment opportunities, increased investment, and by consolidating anti-corruption reforms and drawing millions into the formal economy. We estimate it will bring an estimated 270,000 Colombians legitimate jobs, weakening the draw of the illicit economic sector. Provisions in the agreement will reinforce democracy by fighting corruption, increasing transparency, and fostering accountability and rule of law. Through these changes, the Free Trade Agreement will treat the causes -- not just the symptoms -- of the social ills that provide fertile ground to narco-traffickers and insurgent groups.

Of course, the economic benefits of this agreement flow as much to Americans as to Colombians. U.S. businesses, farmers, and workers will see an estimated \$1.1 billion increase in exports to Colombia, according to a December 2006 report by the International Trade Commission. Once the Free Trade Agreement is implemented, more than 80 percent of U.S. industrial

and consumer exports will gain immediate duty-free access to Colombia. American agricultural products will also enjoy significant new duty-free access. As an example: the average tariff barrier in Colombia is 11.3 percent, while the U.S. average is 0.1 percent. By bringing Colombia's tariffs to zero through the Free Trade Agreement, American agricultural producers will benefit from a new duty-free market for their products. We are not the only country to recognize the importance of Colombia as a trading partner. Canada and Colombia just held a second round of negotiations on a Free Trade Agreement, and hope to conclude an agreement by the end of this year. The EU has initiated trade negotiations with the Andean community. Meanwhile, China's economic influence in the region continues to grow: while U.S. exports to Colombia rose 13 percent between 2005 and 2006, Chinese exports climbed by 34 percent. We stand only to lose by remaining on the sidelines, while our competitors around the world hasten to explore Colombia's emerging market.

I have spoken about the direct economic benefits that would flow both to Colombia and the United States under the Free Trade Agreement. However, this agreement is about more than dollars or pesos, it is about achieving the vision I spoke of earlier of a more secure, prosperous and just hemisphere. Just as Colombia appears poised to put decades of conflict behind it, the fate of the FTA stands as a vote of confidence in Colombia's future.

Our entry into this long-term partnership with Colombia will reinforce Colombia's commitment to pro-market policies. It will bolster the country's democratic institutions by ensuring transparency and respect for workers rights, promoting strong labor and environmental standards, and giving us an important mechanism to monitor compliance so we can work with Colombia to ensure continued progress in these important areas. Most importantly, approving the Free Trade Agreement demonstrates America's enduring commitment to Latin America.

On the other hand, rejecting this agreement -- just as Colombia shows signs of emerging from its nightmare past -- would undercut its successes and send precisely the wrong signal to the region. Turning our back on our most loyal ally on the continent would cause countries around the world to question our commitment to the region, and our willingness to go the distance with our friends. The FTA's defeat would be a huge victory for those -- like Hugo Chavez -- who promote an authoritarian, populist, highly personalized model of government, drawing upon the failed economic policies of decades past. Others in the region and around the world would see the FTA's defeat not as a sign of our desire to see yet further progress in Colombia, but rather as an unwillingness to commit fully to the region.

I understand that some have reservations about the Free Trade Agreement because of concerns over labor and human rights in Colombia. We appreciate those concerns -- and we will continue to address them directly with the Government of Colombia at every opportunity -- but walking away from this

agreement will not resolve these issues. Moreover, it is important to keep these problems in perspective. While significant problems certainly remain, Colombia has come a long way in addressing them and is striving to continue to improve its performance.

To cite but one key area of concern, homicides of trade unionists have shown a steep decline. Working with the International Labor Organization, Colombia has created a \$1.5 million labor sub-unit to investigate priority cases of violence against trade unionists. And this unit is showing results. Cases are being resolved, and guilty parties are going to jail. Additionally, the government of Colombia is offering protection to vulnerable citizens, especially trade unionists. In fact, over a third (\$9.6 million) of the Ministry of Interior and Justice's \$34 million protection program goes to protect more than 1,300 trade unionists. For many years our Congress has, with very large bipartisan majorities, approved unilateral, one-way access for Colombian goods into the United States under the Andean Trade Preference Act, even when levels of violence against trade unionists were considerably higher than they are today. Rather than condemning as insufficient the considerable progress already made by the Colombian people, we should help them consolidate that progress through expanded trade.

While there remain challenges that Colombia must address -- and while we will remain fully engaged in efforts to address them -- the United States must not retreat. We must push forward, side-by-side with Colombia. As Secretary Condoleezza Rice said, "how can we afford not to honor our agreement with Colombia?" As Secretary Rice noted, failure to approve the agreement would be, "a retreat from our responsibility of leadership and a renunciation of our influence in the Americas."

Thank you very much.

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