AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

THE SUMMIT OF THE AMERICAS: A NEW BEGINNING FOR U.S. POLICY IN THE REGION?

HEARING

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

MARCH 11, 2009

Serial No. 111–8

Printed for the use of the Committee on Foreign Affairs

Available via the World Wide Web: http://www.foreignaffairs.house.gov/

U.S. GOVERNMENT PRINTING OFFICE

48–000PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON FOREIGN AFFAIRS

HOWARD L. BERMAN, California, *Chairman*

GARY L. ACKERMAN, New York
ENI F.H. FALEOMAVAEGA, American Samoa
DONALD M. PAYNE, New Jersey
BRAD SHERMAN, California
ROBERT WEXLER, Florida
ELIOT L. ENGEL, New York
BILL DELAHUNT, Massachusetts
GREGORY W. MEEKS, New York
DIANE E. WATSON, California
RUSS CARNAHAN, Missouri
ALBIO SIRES, New Jersey
GERALD E. CONNOLLY, Virginia
MICHAEL E. MCMAHON, New York
JOHN S. TANNER, Tennessee
GENE GREEN, Texas
SHEILA JACKSON LEE, Texas
BARBARA LEE, California
SHELLEY BERKLEY, Nevada
JOSEPH CROWLEY, New York
MIKE ROSS, Arkansas
BRAD MILLER, North Carolina
DAVID SCOTT, Georgia
JIM COSTA, California
KEITH ELLISON, Minnesota
GABRIELLE GIFFORDS, Arizona
RON KLEIN, Florida
VACANT

ILEANA ROS-LEHTINEN, Florida
CHRISTOPHER H. SMITH, New Jersey
DAN BURTON, Indiana
ELTON GALLEGLY, California
DANA ROHRABACHER, California
DONALD A. MANZULLO, Illinois
EDWARD R. ROYCE, California
RON PAUL, Texas
JEFF FLAKE, Arizona
MIKE PENCE, Indiana
JOE WILSON, South Carolina
JOHN BOOZMAN, Arkansas
J. GRESHAM BARRETT, South Carolina
CONNIE MACK, Florida
JEFF FORTENBERRY, Nebraska
MICHAEL T. MCCAUL, Texas
TED POE, Texas
BOB INGLIS, South Carolina
GUS BILIRAKIS, Florida

RICHARD J. KESSLER, *Staff Director*
YLEEM POBLETE, *Republican Staff Director*
BRENT WOOLFORK, *Junior Professional Staff Member*
GENELL BROWN, *Senior Staff Associate/Hearing Coordinator*

CONTENTS

Page

WITNESSES

Mr. Thomas F. "Mack" McLarty, President, McLarty Associates 8
Mr. Peter Hakim, President, The Inter-American Dialogue 16
The Honorable Otto J. Reich, President, Otto Reich Associates, LLC (former Assistant Secretary of State for Western, Hemisphere Affairs) 23

LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING

Mr. Thomas F. "Mack" McLarty: Prepared statement 11
Mr. Peter Hakim: Prepared statement 19
The Honorable Otto J. Reich: Prepared statement 26

APPENDIX

Hearing notice 54
Hearing minutes 55
The Honorable Howard L. Berman, a Representative in Congress from the State of California, and Chairman, Committee on Foreign Affairs: Prepared statement 57
The Honorable Gerald E. Connolly, a Representative in Congress from the State of Virginia: Prepared statement 59
The Honorable Ron Klein, a Representative in Congress from the State of Florida: Prepared statement 60
The Honorable Donald A. Manzullo, a Representative in Congress from the State of Illinois: Prepared statement 61
The Honorable Michael E. McMahon, a Representative in Congress from the State of New York: Prepared statement 62
The Honorable Gene Green, a Representative in Congress from the State of Texas: Prepared statement 63
The Honorable Diane E. Watson, a Representative in Congress from the State of California: Prepared statement 64
Questions for the record submitted by the Honorable Barbara Lee, a Representative in Congress from the State of California, and responses from the Honorable Otto J. Reich 65

THE SUMMIT OF THE AMERICAS: A NEW BEGINNING FOR U.S. POLICY IN THE REGION?

WEDNESDAY, MARCH 11, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:13 a.m. in room 2172, Rayburn House Office Building, Hon. Howard L. Berman (chairman of the committee) presiding.

Chairman BERMAN. Good morning. The House Foreign Affairs Committee will come to order.

I apologize for the tardiness. We had a breakfast meeting with the Secretary General of the United Nations; when you are talking about the whole world it takes a long time. Today we are focusing on one critical part of the world.

A few small housekeeping items. Congressman Adam Smith took a leave of absence from the committee in order to go on the Intelligence Committee and is no longer serving on the African Global Health and Middle East and South Asia Subcommittees. In addition, pursuant to a letter from the ranking member, Mr. Pence is not serving on the Subcommittee of the Middle East and South Asia.

Without objection, those subcommittee assignments shall be changed to reflect the changes. I might add regarding Congresswoman Lynn Woolsey: There were a series of errors which led to her not coming onto the committee at the beginning of the year, but she will be taking Mr. Smith's place once the House approves the Democratic Caucus recommendations.

To the subject at hand, I would yield myself 7 minutes.

From a foreign policy perspective, we live in a quiet neighborhood. By and large, the countries of our region enjoy a shared set of values. With one notable exception, the Western Hemisphere is made up of elected democracies.

Of our three biggest trading partners, two are on our border. Of our four biggest oil suppliers, three live close by. Our economies are inextricably intertwined and growing more so every day. Remittance flows from the U.S. to the region reached $54 billion in 2007.

Culturally and socially, the region enriches the diversity of the United States every day and in every way. We are today one of the biggest Spanish speaking nations in the world.

About a decade ago, at the tail end of the Clinton administration, we set out on a path of inattention to our neighborhood and its problems. Here and there we teased the region by proclaiming, as President Bush did in 2000, that the Americas would be a "funda-

mental commitment" of his presidency. But then grave problems appeared elsewhere, and by the end of the Bush administration our influence and standing in our comparatively quiet neighborhood was as poor as it has ever been.

After spending the '90s doing our best to promote and institutionalize democracy and the rule of law, we tacitly endorsed a coup in Venezuela.

After 9/11, when we should have enlisted our neighborhood friends in a methodical and joint counterterrorism plan, we instead ham-handedly lectured a region that had known terrorism for far longer than we had.

With our country's insatiable appetite for illegal drugs, we fueled a regional drug trade and its attendant violence that is today eating away at the institutions of the region's governments, and then we spent billions of dollars on a heavy-handed and ineffectual counter-drug policy that we left on auto pilot years ago. Drug flows have changed little and our emphasis on forced eradication at the expense of harm reduction has made us few friends.

We aggressively extolled the virtues of trade, and then we played hard to get. And last year, in a region in which our past military involvement should cause us to move with exceeding caution, we reestablished after 60 years in mothballs a largely symbolic Fourth Fleet. After the fact, we explained to our concerned neighbors that it was merely an internal Pentagon matter.

On April 17, President Obama will try to change this regional dynamic when he joins other regional leaders for the Fifth Summit of the Americas in Trinidad and Tobago. The good bet is that he will be welcomed with open arms, especially given the fine preparation work of the summit hosts and our Caribbean friends, but expectations are high. Perhaps too high.

There are many questions to resolve: What can the U.S. deliver at the summit or in the near term to begin to repair our relationship? Should we walk in with a plan, or do we simply listen? Are we putting in the right people to fix this? Should we bring back the Special Envoy for the Americas?

While our gaze was focused elsewhere, the region created a network of groups and subgroups with one common characteristic: The United States was not invited to any of them. The premier regional political organization in which we do have permanent membership, the Organization of American States, is struggling. How can we make the OAS part of the solution?

Although I have no intention of making this a hearing about our policy toward Cuba, we would be remiss if we did not try to understand better how our Cuba policy plays in the bigger regional relationship.

Bolivia's Morales just announced he is throwing out another one of our diplomats. Last year he expelled our Ambassador and the Drug Enforcement Agency. Nicaragua's Ortega has spent 2 years in office confounding even the most charitable reading of his governance, and Venezuela's Chavez, with his most recent verbal tirade against President Obama, has proven it was not just all about Bush. Are we condemned in the medium term to a cycle of unfriendliness with these countries?

And is there any new thinking at all about Haiti and its epic problems?

With President Lula's visit days away, we are properly putting effort into our relationship with regional leader Brazil. Can Brazil help us with some of the tough issues on our plate? Does Brazil even want to?

And finally, there is Mexico. President Calderon is among our best allies in the region, but a proven and solid relationship does not in itself resolve the big issues that we need to tackle together. It is only the starting point.

Ronald Reagan once said that "status quo" is Latin for "the mess that we are in." I would add that status quo ante for our relations with our neighbors may well just be "the mess that we were in."

We have a unique voice in this region, and we need to reestablish leadership on the positive things we believe in. But gone are the days when our influence or authority permitted us to raise our voice and get our way. It was easier, but as we look forward it is neither possible nor wise.

And let us just say it: Building a wall on our southern border is not going to make any of the big problems to the south go away. Yes, it is great to be able to come home to our quiet neighborhood, but while we were away things have changed. I think that is what we should have a conversation about today.

Before I introduce our distinguished panel of witnesses, let me turn to our distinguished ranking member, Ileana Ros-Lehtinen, for any opening comments she would like to make.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Welcome, witnesses.

As the chairman had said, democratic institutions in our hemisphere are under increasing assault from internal and external actors. We must help fight this trend not by engaging with leaders who are demonstrably anti-American and anti-democratic in the hope that they will miraculously change, but instead by standing firmly with our democratic allies in defending freedom as a central tenet of our policy in the Western Hemisphere.

In a meeting this morning with U.N. Secretary-General Ban Ki-Moon, I just had the opportunity to discuss the absurdity of having a human rights abuser like Cuba sit on the U.N. Human Rights Council.

In Nicaragua, we saw November municipal elections that were widely recognized as the fraudulent manipulation of the people's right to fairly elect their leaders. Ortega has stripped the opposition of political space, developed neighborhood councils to spy on the political rights of fellow Nicaraguans, and consolidated control over all four branches of the government.

In Venezuela, there have been attacks on property rights and the freedom of the press, to decree rule and explicit threats against opponents. Chavez is gradually stripping the people of their fundamental rights, and his ongoing anti-Semitic incitement is of particular concern to me. Since Venezuela was listed by the State Department as a state sponsor of anti-Semitism in 2008, Chavez has only worked to further stoke the fires of anti-Semitism.

With the support of countries like Venezuela, Nicaragua, Cuba, Bolivia and Ecuador, a realignment is taking place with rogue re-

gimes such as Iran. Iran is working to expand its influence within the region. The Argentine Government concluded that the 1994 attack on the AMIA Jewish Community Center was "decided and organized by the highest leaders of the former Government of Iran, whom entrusted its execution to Hezbollah."

The AMIA case demonstrates that the Iranian regime has used its Embassies abroad to extend its radical goals. Defense Secretary Gates recently said,

> "I am concerned about the level of subversive activities that the Iranians are carrying on in a number of places in Latin America. They are opening a lot of offices and a lot of fronts behind which they interfere in what is going on in some of these countries."

Bolivia and Ecuador are two recent hosts of Iranian Embassies and resumed their baseless accusations against the United States. Blaming dissent on the interference of the United States, Bolivia's Evo Morales has expelled our U.S. Ambassador and another American diplomat, kicked out our entire DEA presence, removed some USAID personnel and programs and forced our Peace Corps volunteers to pull out.

In Ecuador, last September's constitutional reform not only allowed for Correa to potentially extend his Presidency to the year 2017, but also forced the closure of the U.S. Manta base, a crucial post for drug interdiction flights. Correa ordered the expulsion of two U.S. Embassy officials, and we are also seeing these authoritarian leaders establishing alliances with Iran, Russia and China.

Fortunately, the U.S. does have strong partners in the fight against narcotraffickers, extremists and organized crime. There is no denying Colombia's commitment on these core issues. It has made incredible progress against narcotraffickers and the FARC. At the same time, it has worked to strengthen civil society and its democratic institutions.

Colombia should be recognized for this, including with the adoption of the U.S.-Colombia Free Trade Agreement. This agreement will strengthen our bilateral ties while benefitting workers and consumers in both of our nations.

Mexico's drug cartel problems are an imminent threat to our homeland security. The chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, referred to the recent spike in violence as a crisis. Our Justice Department reported that more than 700 people were recently arrested as part of a crackdown on Mexico's drug and smuggling cartels operating inside the United States.

Another country in critical need of support is Haiti. A myriad of challenges have placed Haiti at an extreme disadvantage in finally securing peace, prosperity and stability for its people. I look forward to working with my colleagues to safeguard and advance critical U.S. interests in the region.

And look at that, Mr. Chairman. With time to spare. I yield back.

Chairman BERMAN. Regarding the order: We will hear from the chairs and ranking members of the relevant subcommittees, and then, with one exception, it is the chair's intent not to recognize 1-minute statements because we have three suspensions from the committee on the floor today.

We are going to have votes around 11:45 or 12:00, and I want to try to get the witnesses' testimony and as many members to have questions as possible because my guess is once we recess for the votes I won't be able to come back, and we will see whether the members will.

I now am pleased to recognize for opening statement the chairman of the Western Hemisphere Subcommittee, the gentleman from New York, Mr. Engel.

Mr. ENGEL. Thank you, Chairman Berman. As chairman of the Western Hemisphere Subcommittee, I very much appreciate your calling today's hearing to discuss the upcoming Summit of the Americas in Trinidad and Tobago.

Barack Obama's election was greeted with excitement throughout the hemisphere. When I traveled to Paraguay, Chile and Peru immediately after our Presidential election, there was a real sense of optimism both among the heads of state and the citizens of these countries.

I am delighted that President Obama will be in Trinidad for the summit, and I believe that the goodwill generated by President Obama's presence at this summit will itself do a great deal to reinvigorate United States-Latin American relations.

I will be leading a congressional delegation to the summit, and I look forward to working with the Obama administration as the summit approaches. As chairman, I have had the privilege of traveling to the region and getting to know many of the Heads of State.

I encourage President Obama to develop personal relationships with as many of these leaders as he can. In each of these meetings it will be important to emphasize that the United States wants to once again work with our counterparts in Latin America in true partnership.

In the past several years, we have really been disengaged in the region. We need to be more engaged. If we remain disengaged and others move in to fill the void, we have no one to blame but ourselves, and by others I mean the Chavezes of the world, China, Russia and Iran. We need to be engaged.

Our friends in the region recognize the U.S. is in a financial crisis and is in a difficult position to immediately promise new aid and trade opportunities, but there are actions that can be announced at the summit that are cost neutral.

Given the interconnectedness of our economies, everything that happens to the U.S. economy impacts the economies of our neighbors in the Americas. A promise from President Obama to coordinate with heads of state in the Americas as we try to emerge from the financial crisis would be very well received.

In addition, I have spent a great deal of time recently working to curb illegal firearms trafficking from the United States to Latin America. A pledge from President Obama that the United States will do more to enforce the current ban on imported assault weapons that come into our country, and then are trafficked in the Americas, particularly Mexico, would go a long way.

Finally, sending the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA)—a 1997 treaty that the U.S. signed—sending that to the Senate for ratification in

advance of the summit would be another opportunity to show our commitment to our neighbors.

Finally, Mr. Chairman, the summit must not be the high point of our relationship with Latin America and the Caribbean. Rather, it must represent a new beginning where the U.S. shows real respect for our neighbors to the south and pays sustained attention to this important region.

In fact, I think President Obama should bring Secretary Clinton's reset button to the summit as a symbolic way of showing that we are ready for a change in how we deal with the region.

Again, Mr. Chairman, thank you. I look forward to hearing from our distinguished witnesses.

Chairman BERMAN. The time of the gentleman has expired.

And now, in the absence of the ranking member, I am pleased to recognize for 3 minutes the former chairman of the Western Hemisphere Subcommittee, the former ranking member of the Western Hemisphere Subcommittee, the ubiquitous and distinguished Dan Burton, for 3 minutes.

Mr. BURTON. The former former. Mr. Chairman, I hope as many members as possible can join Chairman Engel to go to the Summit of the Americas. I think it is extremely important.

Central and South America and the Caribbean are at our front door. We have been very concerned about what is going on elsewhere in the world, and I think we should be, but we have some severe problems down there, and I think it is extremely important that we participate and be involved more than we have in the past.

We need to get a new Secretary of State for Western Hemisphere so that they can really get down to work in dealing with some of the crises that we face down there; things like in El Salvador the potential for another leftist leader being elected could cause us more problems in Central America.

We already have Hugo Chavez, Evo Morales and Daniel Ortega down there, and we don't want that Bolivarian leftist movement to get any more attraction than it has in the past. It is going to cause remittances that go down to those countries to be cut back, I am afraid, if we continue to see that leftist movement.

We also need to be concerned I think, Mr. Chairman, about our good friends like Colombia and Mexico. Colombia has been a tremendous ally, and President Uribe has done an outstanding job in trying to help us fight in the drug war.

I hope that we will learn from the Summit of the Americas how important it is that we extend our trade agreements to countries with free trade agreements like Colombia because they have been such a stalwart ally in this area.

And finally, I hope that we will also be able to discuss things like the border issues that we face with Mexico. Mexico right now is a war zone in the northern part right on our border, and I think it is extremely important that this committee pay closer attention to that and the administration pay closer attention to that. We may even have to send troops down there to protect some of those areas like down around Juarez and that border area.

I think these are issues that we ought to bring up at the Summit of the Americas. There will be almost all of the nations present there, and I really think it is important that you have a very

strong delegation, Mr. Chairman. I intend to go with you and try to get other members to go as well.

With that, I yield back the balance of my time.

Chairman BERMAN. The time of the gentleman has expired.

I am now pleased, in an exception to the 1-minute rule, to recognize my colleague from Arkansas in order to introduce one of the witnesses. The gentleman from Arkansas, Mr. Ross, is recognized for 1 minute.

Mr. ROSS. Thank you, Mr. Chairman. I probably won't even take that.

I appreciate the opportunity to welcome Mack McLarty to our committee. As many people know, former President Bill Clinton and former Presidential candidate Mike Huckabee, both from Hope, Arkansas—and people are probably tired of Hope, Arkansas, but Mack and I aren't. We both graduated high school there, and it is good to have him with us today.

As most of you know, in his career he has developed an extensive knowledge of U.S. foreign and trade policy. In addition to serving as President Clinton's first White House Chief of Staff, Mack organized the 1994 Summit of the Americas, so it is very appropriate that he be here testifying today, and of course later was appointed by the President as Special Envoy for the Americas.

So as a member of the committee and as an Arkansan and someone that is from Hope, I am proud to welcome Mack McLarty, my dear friend, as one of our witnesses here today.

Chairman BERMAN. The time of the gentleman has expired.

And now we will introduce the entire panel. For some people no introduction is needed, but Mack McLarty is going to get two. He is president of the international advisory firm, McLarty Associates, and chairman of the McLarty Companies, a fourth generation family transportation business.

As the gentleman from Arkansas mentioned, we all know him for his years in the Clinton administration. He served as Chief of Staff, Counselor to the President and, of particular note for our hearing today, the first Special Envoy for the Americas.

He is the recipient of the highest civilian honors of Argentina, Brazil, Chile, Mexico, Nicaragua, Panama and Venezuela. He is a senior counselor to the Center for Strategic International Studies, a senior international fellow at the U.S. Chamber of Commerce and is a member of the Council on Foreign Relations.

Our second witness, Peter Hakim, is president of the Inter-American Dialogue, a Washington-based center for policy analysis and exchange for Western Hemisphere affairs. Mr. Hakim previously served as vice president of the Inter-American Foundation and worked for the Ford Foundation in both New York and Latin America.

He has been a regular witness before Congress over a dozen times. He is a regular contributor on hemispheric issues to both American and Latin American news outlets. He sits on a variety of boards and advisory committees and is a member also of the Council on Foreign Relations, and he has spent time as a professor at MIT and Columbia.

Ambassador Otto Reich is our third witness today. Ambassador Reich is president of Otto Reich Associates, a consulting firm which

provides international government relations, trade and investment advice to U.S. and multinational clients.

In 2001, President George W. Bush selected Ambassador Reich to be the Assistant Secretary of State for Western Hemisphere Affairs, where he served until 2002. Ambassador Reich also served as President Bush's Special Envoy for Western Hemisphere Initiatives.

Under President Reagan, Ambassador Reich served as U.S. Ambassador to Venezuela, for which he was awarded the highest commendations of both the State Department and the Republic of Venezuela, and as Special Advisor to the Secretary of State from 1983 to 1986, he directed the Office of Public Diplomacy for Latin America and the Caribbean. From 1981 to 1983 he was Assistant Administrator of USAID in charge of U.S. economic assistance to Latin America and the Caribbean.

Thank you for being here today. Mr. McLarty, why don't you start?

STATEMENT OF MR. THOMAS F. "MACK" MCLARTY, PRESIDENT, MCLARTY ASSOCIATES

Mr. MCLARTY. Mr. Chairman, Madam Vice Chairman, distinguished members of the committee, I am honored to appear before you today. Congressman Ross, thank you for your warm words.

I have already submitted my written testimony for the record, so today I would like to just offer a brief summary.

Mr. Chairman, I genuinely feel this hearing is a very timely one not only as we look out to next month's Summit of the Americas at the Port of Spain, but also to April 2 when the G–20 will meet in London where the United States, Canada, Argentina, Brazil and Mexico will be participating.

The question that you have put before us is whether our Nation has a chance for a new beginning and new course, if you will, for U.S. policy in the hemisphere. I believe we do, and I believe we must seize it not only for the opportunities that it will create, but for the risk we will face if we do not.

Because the kitchen table issues that affect your constituents, our citizens and our country's daily lives like the economy, i.e., jobs, energy, the environment, security, can only be managed, at least managed successfully, by working directly and concretely with nations in our hemisphere.

While all of the hemisphere leaders are of course familiar with our new President, and he has already met personally with Mexican President Calderon, Canadian Prime Minister Harper and will meet this Saturday with President Lula from Brazil, this summit will be President Obama's first formal introduction to most of his hemispheric counterparts.

Some have suggested that the President should go to the Port of Spain in a listening mode. I agree, inasmuch as our Latin and Caribbean partners have little interest in hearing a lecture, but for the summit to meet its full potential as a forum, whereas Eric Farnsworth of the Council of the Americas has written, serious issues are seriously discussed, he will have to do more than just listen.

The President needs a framework for sustained engagement that treats our neighbors with dignity and respect for their initial and collective concerns and that shows, as my colleague, Peter Hakim, has described, that the United States can now be counted on as a dependable partner and a responsible neighbor in achieving common objectives.

So what are the elements of that framework? First, the President needs to get his Western Hemispheric team in place, complementing the fine work that Assistant Secretary Tom Shannon has done, with ambassadors in place from Ottawa to Buenos Aires to Bridgetown.

I think importantly, he does need to appoint a Special Envoy for the Americas. President Obama promised to appoint a Special Envoy for the region. It is time to get it done as a signal to the quality of attention his administration intends to devote.

Second, I believe the President must direct the rest of his Cabinet—not just State and his economic team, but also Homeland Security, Department of Defense, Agriculture, Energy, EPA and more—to engage on a regular basis in ministerial meetings with their regional counterparts.

Third, he should have a blueprint for engagement with each country beyond the summit, such as regional meetings with the Caribbean countries and Central America, continuing the North American Summit process, regular bilateral consultations with Brazil and Mexico, hemispheric powers in their own right.

And, finally, I believe he should call for a bipartisan task force or action group with members of the Executive Branch and of Congress to monitor and encourage summit follow-through and promote collaboration with hemispheric counterparts. He should meet regularly with this group and insist on benchmarks for progress.

At the summit itself, the number one priority will be the United States economy, and the most important thing the Obama administration can do for our hemispheric neighbors is to get our own economy going again. Our summit partners want and deserve regular consultation, and, frankly, they may have some good ideas to offer. In particular, they want to be assured the United States will not respond to our domestic challenges by building protectionist walls.

Many of the countries in the regions that have implemented sound policies have lifted millions from poverty to the middle class, but we should keep in mind the risk that this economic crisis poses for the stability in the region.

More than 20 percent of the population in Latin America and the Caribbean lived on less than $2 a day even before the crisis struck. If economic turmoil leads to social unrest, it could put a strain on the region's fragile democratic institutions.

The next item that has already been noted by a number of distinguished members of the committee has to be the security situation in Mexico and its neighbors in Central America. I want to be clear. I do not believe Mexico is a failed or failing state, but the alarming level of violence needs to be gotten under control for the Mexican people, for the stability and safety of the border region and to preserve the rule of law.

Building on the bipartisan passage of the Merida Initiative, the United States can play a meaningful role by absolutely clamping

down on the flow of arms across our border and stepping up prevention and treatment efforts to reduce our own drug demand and supporting Mexico's efforts to strengthen civilian institutions.

I would respectfully urge President Obama to consider putting Vice President Biden in charge of this vital effort, working closely with Homeland Security Secretary Janet Napolitano. In addition to the Vice President's extensive experience in law enforcement and judicial matters, his appointment would signal a U.S. commitment at the highest levels.

On trade, I think President Obama sent the right message during his visit to Canada last month when he said that his desire is to grow trade, not contract it. He should make good on this pledge by coming to the summit with the U.S.-Panama FTA in hand or at least a clear strategy for passage and a strong forward lean on the U.S.-Colombia FTA as long as labor and human rights benchmarks are included.

On energy, there are many issues to be discussed not only for the security of our base supply, where over 50 percent of our energy imports comes from our own hemisphere, but also interest in ethanol and integrated grids.

On the environment, the Brookings Commission study recommended establishing a regional subgroup for climate change cooperation to coordinate positions in advance of the Copenhagen Conference. I think that would increase our influence in that conference and perhaps achieve a more positive outcome.

Another priority area is the joint efforts of lifting people's lives, the basic fundamental tenant of any working democracy, through the support of education, public health collaboration, and continued commitment to the Millennium Challenge established by President Bush. The private sector has a role to play too, as do education exchanges.

On immigration, I think the time has come to move forward with a comprehensive immigration reform, and the United States will need to work closely with our hemispheric neighbors to succeed. I have recently had the privilege of co-chairing a Council on Foreign Relations Task Force on this topic with former Governor Jeb Bush.

Effective immigration policy must begin by securing and safeguarding our borders, but it also must reflect realities and the labor force needs we have in this country and the support of economic development in the migrant exporting countries.

In conclusion, Mr. Chairman, there can be no question that North, South and Central America's futures, as well as the Caribbean, are intertwined. The question before us is whether that future will be one of shared peace, prosperity and progress.

I am convinced that a purposeful, pragmatic, respectful U.S. policy toward our neighbors significantly increases our prospects for success, and that is the kind of approach I hope and believe President Obama will bring to the Port of Spain.

Thank you, Mr. Chairman.

[The prepared statement of Mr. McLarty follows:]

Prepared Testimony of
Thomas F. "Mack" McLarty, III
President, McLarty Associates

U.S. House Committee on Foreign Affairs
"The Summit of the Americas: A New Beginning for U.S. Policy in the Region?"
March 11, 2009

Introduction

Chairman Berman, Representative Ros-Lehtinen, Members of the Committee, I'm honored to appear before you today to discuss U.S. relations in the Western Hemisphere. This is a very timely hearing, not only as we look to next month's Summit of the Americas in Port of Spain, but also to the April 2nd G-20 meeting in London, in which five hemispheric countries will take part – the U.S., Canada, Argentina, Brazil, and Mexico.

My interest and involvement in this region began a number of years before I came to Washington to serve in the Clinton administration. My older son Mark lived and worked in Brazil and Bolivia before attending college, and during our visits to see him, my wife and I were impressed and charmed by Latin America, with its natural bounty, vibrant history, rich culture, and welcoming peoples.

Little did I know then that I would have the opportunity to participate in forging some of our nation's key policies toward our closest neighbors, from the Mexican peso recovery package to the Caribbean Basin Initiative to Plan Colombia; or that I would have the opportunity to help shape the first Summit of the Americas in 1994 in Miami – the first gathering of hemispheric leaders since 1967; or that I would represent the United States at the signing of the Guatemala peace accords that ended a 36-year civil war.

Little did I know that I would return to the region more than 50 times as President Clinton's Special Envoy for the Americas, or that I would continue traveling Pan-American and Canadian highways in the private sector through my strategic advisory firm, McLarty Associates.

So it's a pleasure and privilege to share my observations with you this morning.

A New Beginning: Why It Matters

I believe that with our new administration in Washington, and the change of tone and direction in several key aspects of U.S. policy – including the plans for withdrawal from Iraq and the closure of the detention center at Guantanamo -- the United States has the chance for a new beginning in a region that is of enormous importance and potential.

Of course, I realize the president's time is always at a premium – and especially now, with so many other urgent challenges, from the global financial crisis to the U.S. economy to

Afghanistan and Iraq. And I'm well aware of the problem James Reston once articulated so well: Americans will do anything for Latin America except read about it.

Still, I believe there is a persuasive case to be made for a re-energized commitment to the hemisphere, not only for the benefits and opportunities it will create, but for the risks that we will face if we don't… because the "kitchen table issues" that affect our citizens' daily lives – things like the economy, energy, the environment, and security -- can only be managed by working directly and concretely with our closest neighbors.

Consider: Latin American and Caribbean countries by a fifth of all U.S. exports and supply a fifth of its imports. Our sales to Latin America each year are four times what we export to China.

The United States gets more than 50 percent of our energy imports from the Western Hemisphere – and more than half of that from Latin American and Caribbean suppliers. Brazil's latest oil finds could make it the eighth largest oil-producing nation, surpassing Russia.

We share a more than 5,500 mile border with Canada and an almost 2,000 mile border with Mexico – presenting extraordinary opportunities for exchange, but also grave potential threats to security.

When it comes to the environment, all of our nations are feeling the effects of global warming – and we all have a stake in mitigation, adaptation, and environmental conservation.

And just as our futures are intertwined, increasingly, so are our families. More than half of the U.S. foreign born population is from Latin America and the Caribbean, and the Hispanic population is the fastest growing in the country.

A Framework for Sustained Engagement

I believe President Obama goes into the Summit with a tailwind at his back. Latin Americans are favorably impressed with the historic significance of his election and the mandate he brings to office. They are well aware of his unique background and his understanding of developing countries; they like his eloquence, temperament, and style. In addition, his commitment to withdraw U.S. combat troops from Iraq will remove a cloud that overshadowed President Bush's best efforts in the region. And in Secretary Clinton, who traveled throughout the region as First Lady, he has a secretary of state who is recognized as knowing and caring about the Americas.

This last point is important, because President Obama is not recognized as a Latin American expert himself. In this first summit with hemispheric leaders, he will need to demonstrate understanding and appreciation for this vibrant part of the world, with its more than 30 countries and 600 million people, rich in resources, culture, and ethnic diversity – and avoid the trap of approaching the entire region through the prism of any single issue (like trade) or single country (like Mexico).

Some have suggested the president should go to the summit in listening mode. I agree, inasmuch as our Latin and Caribbean partners have no interest in hearing a lecture.

But for the summit to meet its full potential as a forum where – as Eric Farnsworth of the Council of the Americas has written -- "serious issues are seriously discussed," he'll have to do more than just listen. The president needs a framework for sustained engagement that demonstrates our recognition that the region has changed and matured; that treats our hemispheric neighbors with dignity and respect for their individual and collective concerns; and that shows, as my friend and colleague Peter Hakim has written, that the "U.S. can now be counted on as a dependable partner and responsible neighbor" in achieving common objectives.

What are the elements of that framework?

First, the president needs to get his Western Hemispheric team in place. In Tom Shannon, we have an excellent assistant secretary of state for Western Hemispheric affairs. We also need strong ambassadors from Ottawa to Buenos Aires to Bridgetown, and crucially, a Special Envoy for the Americas. President Obama has already promised to appoint a special envoy for the region and it's time to get that done. As Abe Lowenthal has written, "rather than promising to pay much more attention to Latin America and then falling short, the new administration and Congress should instead enhance the quality of the limited attention that can realistically be devoted to the region." A special envoy is an excellent vehicle for that – and appointing someone in advance of the summit that would be a signal of U.S. commitment.

Second, the president must engage the rest of his Cabinet – not just State, but Homeland Security, DOD, Agriculture, Energy, EPA, and more. During the Clinton years, ministerial meetings on topics like defense and sustainability helped strengthen hemispheric cooperation during the summit off-years.

Third, he should have a blueprint for engagement with each country beyond the summit. Some countries may have common interests that suggest follow-on regional meetings – for example, the Caribbean countries and Central America. Certainly the U.S., Mexico, and Canada share a special set of issues through NAFTA, and the North American summit meetings started under President Bush should be continued. Some countries, such as Brazil and Mexico – hemispheric powers in their own right -- will merit being dealt with on their own. My point is that pursuit of our hemispheric interests demands a tailored, disaggregated approach.

Finally, I believe there is a natural opportunity for a bipartisan task force or action group, composed of members from the executive branch and the Congress, to monitor and encourage summit follow through and promote contacts and collaboration with hemispheric counterparts. He should meet with this group regularly and insist on benchmarks of progress.

The Summit Agenda

Turning to the summit agenda itself: The number one priority item will be the U.S. economy. As many have noted, the single most important thing the Obama administration can do for our hemispheric neighbors is get our economy going again. Our summit partners will want to know

our plans for restoring stability and growth, because economic and financial decisions we make in Washington will affect their citizens as well, for good or ill. They want and deserve regular consultation – and frankly, they may have some good ideas and advice for U.S. policymakers. In particular, they want to be assured the U.S. will not respond to our domestic woes by building protectionist walls.

We should also keep in mind the economic risks the crisis poses to stability. More than 20 percent of the population in Latin America and the Caribbean lived on less than $2 a day even before this global downturn. Now the economic crisis is jeopardizing the progress some countries were making in poverty reduction, while limiting the prospects for others. Faltering economic conditions could lead to social unrest and put a strain on the region's fragile democratic institutions.

The next item, in my view, has to be the deteriorating security situation in Mexico. As a recent report from the Woodrow Wilson Center argues, "There are few relationships that matter more to the United States – if any – than that with Mexico." I want to be clear: I do not believe Mexico is a failed or failing state. But the alarming level of violence needs to be gotten under control – for Mexico's people, for the stability and safety of the border region, and to preserve the rule of law.

Mexico suffered more than 5,000 drug-trafficking deaths last year alone. Building on the bipartisan passage of the Merida Initiative, the United States can play a meaningful role in stemming this bloody tide – by clamping down on the flow of arms across the border; stepping up prevention and treatment efforts to reduce our own drug demand, which pumps as much as $15-25 billion in drug sale profits across the border each year; and supporting Mexico's efforts to strengthen civilian institutions, including judicial reform and modernization of the police and the military. I would respectfully urge President Obama to put Vice President Biden in charge of this vital effort working closely with Homeland Security Secretary Janet Napolitano. In addition to the vice president's extensive experience in law enforcement and judicial matters, his appointment would signal U.S. commitment at the highest levels.

Turning to the more traditional summit agenda items, certainly trade and investment will be of continued concern. I think President Obama sent the right message during his visit with Prime Minister Harper in Canada last month, when he said that his desire was to grow trade, not contract it. President Obama should come to the summit with the U.S.-Panama FTA in hand or with a clear strategy for its passage, and a strong forward lean on the U.S.-Colombia FTA as well, as long as labor and human rights benchmarks are included.

At the same time, trade and economic issues are not the sum total of our relationships in the hemisphere.

On energy, for example, there is a wide range of issues to be discussed, from securing our base supply to ethanol to integrated grids. Let me simply note the potential I see for working far more closely with our Latin neighbors on renewable energy technologies. A Brookings commission in which I participated earlier this year specifically proposed a jointly funded Renewable Energy

Laboratory of the Americas that would promote cooperation on developing solar, wind, and cellulosic-biomass technologies.

Likewise on the environment, our Brookings commission recommended establishing a regional subgroup for climate change cooperation to coordinate positions in advance of the Copenhagen conference.

Another priority area for joint efforts is lifting people's lives – through support for education, public health collaboration, and continued commitment to the Millennium Challenge initiative established by President Bush. The U.S. has earned goodwill for our humanitarian assistance in the wake of natural disasters like hurricanes, but we can also earn goodwill by being constructive and caring neighbors – for example, by supporting microfinance endeavors that empower Latin American women, or sending teams of U.S. doctors and nurses on medical missions. The private sector has a role to play too, as do our educational institutions; indeed, student exchanges like the one my son Mark took part in so many years ago are an extraordinarily effective and affordable investment in promoting cross-cultural understanding.

On immigration – this is a hot button issue domestically, and internationally as well. But the time has come for comprehensive immigration reform, and the United States will need to work closely with our hemispheric neighbors, especially Mexico, to succeed. I've recently had the privilege of co-chairing a Council on Foreign Relations Task Force on this topic with former Governor Jeb Bush. Effective immigration policy must begin with securing and safeguarding our borders, but must also reflect our labor force needs, as well as include support for economic development in migrant-exporting countries.

Finally, Cuba needs to be on the summit agenda, but should not overwhelm it. Senator Lugar has spoken eloquently on this issue, arguing U.S. policies toward Cuba have been ineffective, and I share his view that it is time for the United States to revisit our policy and to lift restrictions on things like travel, communications, and remittances. I respect that this is an emotional issue, but I believe most Americans' aspirations for a free and democratic Cuba are the same: where we differ is in how best to get there. I believe it's time to try a new approach.

Conclusion

In conclusion, Mr. Chairman, there can be no question that North, South, and Central American futures are intertwined. The question before us is whether that future will be one of shared peace, prosperity, and progress.

I am convinced that a purposeful, pragmatic, respectful U.S. policy toward our neighbors significantly increases our prospects for success – and that is the kind of policy approach I hope President Obama will bring to Port of Spain.

For as President Clinton said at the close of the first Summit of the Americas in Miami, nearly fifteen years ago, the Americas "are bound together by geography, by history, by culture, but most important, now by shared values: a ferocious devotion to freedom, democracy, social

justice; a determination to improve the lives of all our people; and a determination to preserve the natural world we have inherited and that we must pass on."

Today, on the eve of the fifth Summit of the Americas, at the outset of a new administration, our nation has a chance to refresh the quality of our hemispheric partnerships – and we must seize it.

Thank you.

Chairman BERMAN. Thank you.
Mr. Hakim.

STATEMENT OF MR. PETER HAKIM, PRESIDENT, THE INTER-AMERICAN DIALOGUE

Mr. HAKIM. Thank you very much, Mr. Chairman. Madam Vice Chairman, thank you. It is a great honor to be here to testify and to be on this panel with Mack McLarty and Otto Reich.

I met Mack McLarty about 15 years ago as we were preparing for the first Summit of the Americas, and now I am proud to say he is also vice chairman of the Inter-American Dialogue. I must have learned a lot from him because my testimony will tend to reinforce a lot that he said today.

In any event, the summit is a very critical opportunity for the Obama administration to begin a new period of what I would call consistent engagement, consistent over time and consistent in message, and it is also an opportunity for Latin America. Consistent engagement for the United States is not only good for the United States; it is good for Latin America. I think most Latin Americans want that kind of engagement.

I think we heard some discouraging words about the state of Latin America here. I think that I am more encouraged by developments in Latin America. I think the region has become a region of countries that are more assertive, more confident of themselves, more independent, and that sets a stronger basis for more robust cooperation, more robust engagement with the region.

When I travel through Latin America now and I talk to Latin Americans I find a strange phenomena. You sense an enormous enthusiasm for our new President, Barack Obama, enormous expectations for what he might accomplish in the United States, globally and in Latin America. Then you ask about the United States, and expectations remain low and there is not much enthusiasm.

It is very hard to hold those two views for very long; to be enthusiastic about the leader of a country, but unenthusiastic about the country. High expectations for the leader and low expectations for the country are inconsistent.

So eventually those two are going to have to merge. Either the expectations in the region, the enthusiasm in the region is going to rise for the United States, or the expectations for the President are going to decline. This is where the summit comes in. It is really a very important opportunity for the President to begin that proc-

ess of showing that the United States is ready and able to become a dependable partner to engage in this kind of consistent engagement.

The spotlight in Port of Spain when the hemisphere's heads of state meet in April is going to be on President Obama. There is no question about that. Whatever the formal agenda is, whatever items are, the real issue will be taking a measurement of our new President, trying to convince him of their views and trying to listen very hard to what he has to say.

And it is very important—I think Mack emphasized this—for him to listen, but it is also very important for him to come with a message. No one expects him to show up with a well-defined, comprehensive policy for the region or detailed recommendations, but they do expect to hear something about his ideas, something about the directions he is likely to go.

And this is the time not to talk about the relationship in the broad, not a time to think about grand visions, but a time to attack specific items on a very difficult agenda. In many respects it is an unfinished agenda. Many of the items have been there for quite a while. But there are also new opportunities and new challenges.

Let me say I agree fully with Mack McLarty. The central item at the summit will be and should be the economic crisis. This has an enormous prospect of changing Latin America and changing it in rather devastating ways. Mack McLarty identified some of them.

The past 5 or 6 years have been a period of real progress in Latin America on many fronts. You have seen economic growth that has been unprecedented in the past 25 years. You have seen a reduction in poverty across the region. You have seen an increase in democratic stability, particularly in the most important countries of the region, and you have seen the growth of a middle class.

For the first time, Brazil has more people in its middle class than it has in poverty. There were enormous advances. The question now is: Can they be sustained? The threat is that the economic crisis will put them into reverse.

It is important—Mack McLarty echoed what President Lula said—that we fix our economy. That is most important because our economy is so vital to virtually every economy in Latin America—for investment, remittances, trade, tourism and more, but it is not just fixing our economy. It is how we fix the economy.

In repairing the U.S. economy we have to take account of the region. Mack talked about consulting with the region. That is vital. It is also vital that we avoid protectionism, that we not put restraints on imports from Latin America, on restraints on investment to Latin America, or on remittances to Latin America and that we consistently consult with the region.

As we work on our economic problems we recognize that the way we go about solving them will have an enormous impact on Latin America and the rest of the world.

The rest are in no order of priority. I think all of these are important. One I think is important—not everyone will agree—but Cuba. The question is simply whether the United States can begin to work with Latin America on this issue. Can it align itself more?

This is the issue that will probably capture the most headlines in Port of Spain, what President Obama has to say about Cuba or

doesn't say about Cuba, but it does seem to me the time has come to work with Latin America on trying to find ways of bringing back the political and economic opening in Cuba and reintegrating it into the hemisphere. Let me say it is something I am reminded of every night because my wife is a Cuban, born in Cuba.

The other, the security issue, Mack has covered rather skillfully on Mexico, but we should remember it is not only Mexico that is facing this huge upsurge in crime and violence. Virtually every country in Latin America is now facing a burgeoning criminal violence. It is a regional issue and we ought to be dealing with it regionwise.

Immigration: I agree with what Mack said. We have to move toward comprehensive reform, and we also have to deal with some of the symbolic aspects like the fence or the wall, like the raids targeted against immigrants.

Trade: I just want to emphasize very clearly, we have two trade agreements that we have negotiated in good faith with two close allies of the United States. To show our credibility, our dependability, we have to find the way to move forward with those agreements.

Clearly in the case of Colombia there are concerns about human rights, but these can be resolved. Colombia is willing to work to resolve them, and there is no reason not to begin to try and move forward on that.

Let me just suggest there are lots of other issues here, and I don't want to take up lots of time, but one is that the Caribbean has always been seen as a neglected, ignored area. This is the first summit that is taking place in the Caribbean. It is really very important that the President have a message to the Caribbean. They have the problems of the economic crisis, the security problems, et cetera, and we ought to be able to begin to sort of relate, and particularly at this summit.

Haiti, which is part of the Caribbean, is a particular issue. We have had enormously good inter-American cooperation on Haiti. It is almost a model with Brazil leading peacekeeping, the Chileans involved, the Argentines involved. Canada has made Haiti a priority. We should build on this cooperation but recognize any solution is going to take a long time.

And, finally, the Latin Americans are going to be very interested in what we have to say about global issues. They are a continent that has emerged. They are playing a global role. They will want to hear what the United States is doing in the Middle East, how it is resolving the Iraq War, its relations with Iran.

The global issues should not be ignored. The hemisphere is part of the world, and the leaders of the hemisphere will be very interested in what the U.S. is doing globally.

Thank you very much.

[The prepared statement of Mr. Hakim follows:]

Statement of Peter Hakim
President of the Inter-American Dialogue before
the House Committee on Foreign Affairs
March 11, 2009

The Summit of the Americas: A New Beginning for U.S. Policy in the Region

When the Western Hemisphere's 34 democratically elected leaders gather in Port of Spain on April 17 for the fifth Summit of the Americas, many of them will vividly recall the tense proceeding and unhappy outcome of the previous Summit in Mar del Plata, Argentina some three and one-half years ago. The discord reflected the continuing strains in U.S.-Latin American relations and divisive politics of the hemisphere generally. The distrust and division among the region's governments have persisted, and remain a challenge to the operations of the OAS and other inter-American institutions. There are concerns that they may end up buffeting this year's summit in Trinidad as well.

But there are also good reasons to anticipate a more productive meeting in Port of Spain.

First and most important, the United States today has a president that is almost universally liked and admired in Latin America and the Caribbean. Across the region Obama's election was enthusiastically welcomed, and viewed as a hopeful sign of the vitality of U.S. democracy. Latin Americans are making it clear that they now want a new and better relationship with the United States.

Second, the most troublesome issue for the earlier Summit—whether to resume the U.S.-backed hemispheric free trade negotiations—is no longer on the inter-American agenda. Instead, every country of the hemisphere is now coping with the global financial crisis. With shrinking exports, falling commodity prices, declining remittances, and diminished credit and investment, every Latin American and Caribbean country faces sluggish growth, rising unemployment, and deepening poverty. Although this "made in the USA" crisis has bred new resentment toward Washington, it also makes cooperation with the United States, as well as among the countries of the region, all the more important.

Third, the government of Trinidad and Tobago has invested heavily in making the Summit a success. The official Summit declaration, which has been discussed and debated for months among the participating governments, has been crafted to avoid confrontation. To be sure, the declaration is often bland, but it ably addresses several critical issues—environmental sustainability, energy security, and human prosperity—and could help set the stage for greater regional cooperation on different dimensions of these issues.

The spotlight in Port of Spain will clearly be on President Obama. At least three of the hemisphere's leaders—Brazil's Lula da Silva, Mexico's Felipe Calderon, and Canada's Stephen Harper—will have spoken privately with Obama prior to the Summit (and he may meet with Argentina's Christina Fernandez in London at the April meeting of G-20 group), and he will come to Trinidad with their views freshly in mind. Still, he will have a great deal to learn from the assembled presidents and prime ministers, who will surely seize the opportunity to tell the new U.S. president how they see political and economic developments in the region and globally, what they like and dislike about U.S. policies, and what they now want from the United States.

But what will be most important in Trinidad is what President Obama has to say. No one anticipates that the U.S. president, after only three months in office, will be ready to announce dramatic new directions or offer detailed policy proposals for U.S.-Latin American relations. He will, however, be expected to talk about his priorities and discuss his ideas about major inter-American challenges. The regional leaders will be concerned about style as well as substance. They will want to see a different tone and texture in the diplomacy of the new administration—and will be looking for signals of a more inclusive and cooperative approach to regional affairs and a greater respect for Latin American views. More than anything else, however, they will want to hear his thinking about concrete problems and opportunities.

The topic of greatest concern will be the global economic crisis—and whether and how U.S. policy responses will take Latin America's needs into account. It is not only that fixing the U.S. economy will moderate and shorten Latin America's ordeal. Washington can also help by resisting protectionist measures that would curb imports or overseas investment; by using its influence to encourage expanded resources and flexibility for the multilateral financial institutions; and by coordinating policy approaches with the region's governments. President Obama should reassure the Latin American leaders about the 'buy American' provisions of the stimulus package and express his support for expanded multilateral funding for the region's economies. He should also urge the region's governments to resist protectionist temptations and manage their economies responsibly.

The Latin American and Caribbean heads of state will expect Obama to be particularly well prepared to discuss financial and economic matters (since he has spent so much of his time on it from a U.S. domestic perspective and will have participated in the G-20 meeting two weeks earlier). But they will also be eager to hear about other issues. Cuba, organized crime, immigration, and trade are among the most significant.

- Every government in the hemisphere wants to know whether the Obama administration will find a way to end the United States' policy of isolating and sanctioning Cuba. This is an issue of huge symbolic importance. Justified or not, it will be regarded as a test of the United States' commitment to change in hemispheric affairs. What Obama says or doesn't say about the U.S. approach to Cuba is what will appear in headlines across the world. The U.S. president should also take the opportunity of the Summit to urge other governments, in their own way, to do what they can to advance the economic and political opening of Cuba.

- With the pandemic of criminal violence spreading across Latin America and the Caribbean, governments will also want to know whether the United States plans to expand its support for countries battling organized crime and drug trafficking. The United States has committed substantial aid for these purposes to Colombia and Mexico, and small amounts to countries in Central America and the Caribbean. The leaders of threatened nations will ask about the prospects of Washington developing and financing a broader a regional approach to fight crime and drugs. They will also want to know whether the new U.S. administration is prepared to review and rethink its decades-old anti-drug strategy that has irritated so many countries of Latin America and yielded such scant results. President Obama should consider supporting a genuinely multilateral and cooperative initiative to develop fresh ideas and strategies for dealing with illicit drugs and associated criminal activity.

- U.S. immigration policies are a first order concern for more than a dozen countries. Latin American leaders are aware of the bitter U.S. debates over immigration and know that reform may take time—but they are hoping to hear that the Obama administration will, at some point, actively pursue changes in immigration law. And they are hopeful that he will suspend construction of the wall or fence on the U.S.-Mexican border, and stop the raids and arrests targeting illegal immigrants.

- Trade initiatives are not a priority for either the United States or Latin America. But most of the region's governments want to hear that the new administration will start soon to work toward congressional ratification of the trade agreements that the United States negotiated with Colombia and Panama. That would reassure them that the United States is a reliable commercial partner. Most Latin American countries, and many in the U.S. Congress, would also applaud Washington's reinstating Bolivia's trade preferences, which were suspended when the U.S. ambassador and U.S. Drug Enforcement Agency personnel were expelled from the country. The suspension was widely viewed as too harsh a penalty.

- The leaders of the dozen English-speaking Caribbean nations, who have long felt their interests ignored and belittled by the United States, will expect some special consideration given that this is the first hemispheric Summit ever held in their territory. President Obama should, at a minimum, make clear that he understands the depth of the economic and security problems that are confronting most Caribbean countries. Haiti, the only failed or failing state in the hemisphere--and the most destitute–should also get special attention.

- How the Obama administrations responds to the challenge posed by Venezuela and its several regional allies is of deep concern to the assembled leaders. There is little expectation that much can be done about this at the Summit, but most of the regional leaders would welcome a statement that the United States is prepared to maintain good relations with governments representing a great diversity of political perspectives. .

- President Obama should also come prepared to talk about U.S. global policies. The Latin American and Caribbean leaders have a keen interest in Washington's plans regarding the Israeli-Palestine conflict, withdrawal from Iraq, the closing of Guantanamo, the war in Afghanistan, and U.S. relations with such countries as Iran, China, and Russia. They are hoping to learn that the United States no longer divides the world into friends and adversaries—and is now prepared to pursue more multilateral and conciliatory approaches in the hemisphere and beyond.

For most of the assembled governments, the results and impressions that emerge from informal exchanges among the U.S., Latin American, Caribbean, and Canadian leaders will be more important than the formal proceedings or the meeting's final declaration in determining the value of the Summit. Most attention will be on President Obama. The other governments will use the occasion, first, to judge whether the new U.S. president will take Latin American and Caribbean interests into account as he struggles to repair the U.S. economy. Second, they will want to assess whether the Obama administration is likely to adjust its regional policies and goals so they (1) reflect the profound political and economic changes that have taken place in Latin America and the Caribbean, (2) recognize the diminished ability of the United States to exert authority and determine outcomes in the region, and (3) build toward a more cooperative and inclusive relationship with the rest of the hemisphere.

* * * * *

Note: My testimony today draws heavily on the 2009 Report of the Inter-American Dialogue—A Second Chance: US Policy in the Americas—which is attached for the record. Just released yesterday, the Dialogue's report sets forth a ten-point agenda with concrete recommendations for US foreign policy in the Western Hemisphere. It emphasizes that, in the coming period, the highest priority challenge for the United States and every other country in the Americas will be the slumping world economy and its social and political fallout.

Chairman BERMAN. Thank you.
Ambassador Reich?

STATEMENT OF THE HONORABLE OTTO J. REICH, PRESIDENT, OTTO REICH ASSOCIATES, LLC (FORMER ASSISTANT SECRETARY OF STATE FOR WESTERN, HEMISPHERE AFFAIRS)

Ambassador REICH. Thank you, Mr. Chairman and Ranking Member Ros-Lehtinen, members of the committee. It is an honor to be back in this room and to talk about something as important as the summit.

In just the 3 years, listening to you generously relate my experiences, Mr. Chairman, from 2002 to 2004, I personally accompanied the President of the United States to six summits in this hemisphere: One U.N. summit, one APEC summit, one Summit of the Americas and three subregional summits.

Summitry is important, and I would like to restate some obvious facts about summits perhaps from the inside that may or may not have been obvious. A summit meeting of this hemisphere presents opportunities as well as risks for the United States. Not all the countries in this hemisphere are good neighbors. Some undermine democracy at home and abroad and threaten regional peace.

The U.S. should actively help the good neighbors, reject the destructive and persuade the ambivalent to rejoin the community of democracies, but we should not delude ourselves. We must deal with the world the way it is and work to improve it, not think that all leaders are good for their people.

The summit is an opportunity for our President to listen to our neighbors' concerns, but, most importantly, to restate what the United States stands for. A President stands for a nation, and our Nation stands for freedom and democracy, and there lies one of the risks.

There is a risk that the summit may descend into chaos, as it did in Mar del Plata, Argentina, in December 2005 when a small group of undemocratic leaders decided to gratuitously attack the United States.

In the best of neighborhoods there are dishonest, abusive or violent persons. In some neighborhoods there are drug traffickers, thieves and murderers. Why is it that we understand that reality when we lock the door to our homes, but not in our foreign relations?

There are leaders in this hemisphere who have aided and abetted drug trafficking, massive corruption and hideous human rights violations. They know who they are, and several agencies of the U.S. Government also know who they are. More than one of them will be present in Trinidad for this summit.

We should listen to our neighbors when they uphold common values, but we should not listen when we put expediency ahead of principle, when they use a summit to embrace a military dictator as they did, literally, with Cuban General Raul Castro in the Rio Group meeting in Brazil this past December.

Warning signals of the risks at Trinidad abound. Two weeks ago, Hugo Chavez said he was indifferent about meeting U.S. President Barack Obama at the summit. Chavez said he would go "to defend the integration of the Caribbean and Latin America and demand

that the empire that Obama leads lift its blockade of Cuba, abide by U.N. resolutions and condemn Israel."

As a participant at the summit, that is Chavez's prerogative, but does not harbor well for a new beginning in this hemisphere. In Trinidad, Chavez will be reinforced by at least two other anti-Americans—Bolivia's Morales and Ecuador's Correa—who relish expelling U.S. diplomats, confiscating U.S. companies, harassing private enterprise and then blaming the United States for their lack of economic and social progress.

When countries expel another country's diplomats for no good reason they are usually not interested in genuine dialogue. This is an opportunity for President Obama to restate U.S. support of democracies; real democracies, not those who claim the title simply because a leader was at some point democratically elected.

This hemisphere has a long list of democratically elected people who later became drunk with power and stayed on until they had to be removed: Peron in Argentina, Batista in Cuba, Aristide in Haiti, Fujimori in Peru, and I could go on.

The United States has many good friends in Latin America and the Caribbean, such as Mexico, Colombia, Peru, Chile, Uruguay, and most of the Caribbean nations and Central American nations. President Obama should make a very public demonstration of support for those nations.

Trinidad will allow our new President to show that he knows the difference between despots and democrats, statesmen and demagogues. The President should embrace Mexico and Colombia, for example. They are under attack by our common enemies: Narcotics traffickers, organized crime and terrorists and now the global financial crisis. Mexico and Colombia are ruled by honest reformers that support civil and political rights, individual freedoms, free enterprise and free markets.

Recently we have heard Mexico described as a failing state. I disagree. Mexico today is the Colombia of a decade ago. We need to support Mexico like we supported Colombia in a bipartisan fashion.

Plan Colombia was passed by a Republican Congress and signed by President Clinton. Not long ago Colombia was also described as a failed state. It has not only survived; it has thrived and now is capable of levels of development unimaginable 10 years ago. With our help, Mexico will do no less.

Colombia deserves to be treated as a friend and partner. In the 10 years that Plan Colombia has been in effect, the nation has made remarkable social, economic and security progress. Mr. Chairman, it is time to help create decent jobs in the United States and in Colombia and in Panama by approving the long-stalled trade agreements with those friendly countries.

These hearings ask if there can be a new beginning to United States-Latin American relations. We must also ask whether it is possible to establish a relationship of trust with governments that violate human rights, that invite the Russian naval fleet to maneuver in the Caribbean, that allow passengers on flights from Iran to land in their capitals without checking travel documents, that purchase weapons factories to manufacture hundreds of thousands of AK–47 assault rifles, that allow revolutionary guards to be as-

signed to Iranian Embassies under diplomatic cover and whose high officials are accused of conspiracy to abet drug trafficking.

The same Hugo Chavez who says he is coming to the summit in Trinidad to demand the United States unilaterally lift sanctions on the Castro dictatorship and condemn Israel is the leader of a government that just this week saw three senior officials, including a close aid to Chavez, accused by the U.S. State Department of assisting narcotics trafficking from Colombia in an annual report that describes Venezuela as a "major drug transit country."

In conclusion, Mr. Chairman, President Obama said the following in his inaugural address, and I quote,

> "To those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history, but that we will extend a hand if you are willing to unclench your fist."

We may not know for years if a new beginning in hemispheric relations will be achieved at this summit, but if President Obama reminds our friends, our adversaries and the ambivalent of those words in his inaugural address, the United States will be well served in Trinidad.

Thank you very much.

[The prepared statement of Mr. Reich follows:]

Testimony of The Honorable Otto J. Reich

President, Otto Reich Associates, LLC

March 11, 2009

House Committee on Foreign Affairs

US House of Representatives

Hearing on "The Summit of the Americas: A New Beginning for US Policy in the Region?"

Mr. Chairman and Members of the Committee. Thank you for affording me this opportunity to comment on US policy toward the Western Hemisphere.

At this time when the world seems to be going back to basics, it is important to restate some obvious facts:

1. A summit meeting of leaders from our hemispheric community of nations presents opportunities as well as risks for the United States.
2. Not all the countries in this hemisphere are good neighbors. Some undermine democracy at home and abroad and threaten regional peace.
3. The US should actively help the good neighbors, reject the destructive and persuade the ambivalent to rejoin the community of democracies. But we should not delude ourselves: we must deal with the world the way it is and work to improve it, not think that all leaders are good for their people.

The forthcoming summit is an opportunity for our president to get to know his colleagues, to listen to our neighbors' concerns, to explain our policies, but most importantly, to restate what the United States stands for. A social, superficial meeting will yield nothing; a president stands for a nation. And our nation stands for freedom and democracy. And therein lies a risk.

There is a risk that the summit may descend into chaos, as it did in Mar del Plata, Argentina in December of 2005 when a small group of undemocratic leaders, even if they were democratically-elected, decided to define their identity by attacking the United States. Because democracy is not currently the common denominator of each hemispheric nation, there is a risk that the Trinidad summit will become another forum for irresponsible populists to appeal to their basest instincts and to incite the mobs at home.

It is obvious that not all neighbors are good neighbors. Even in the best of neighborhoods there are some who are perhaps too loud, drink too much, are somewhat dishonest, abusive, or violent, even fatally so. In some cases there are drug traffickers, thieves, and murders in our midst. Why is it that we understand that reality exists when we lock the doors to our homes at night but do not acknowledge it in our foreign relations? There are leaders of this hemisphere who have aided and abetted drug trafficking, massive corruption, and hideous human rights violations. Some are still in office. *They* know who they are, and several agencies of the US Government also know who they are. More than one

of them will be present in Trinidad for the Summit, and others have been at previous meetings.

Does that mean that the President of the United States should not go to Trinidad? No, he does not have that luxury. He must go, but under no illusions. He will have to sit and listen to the good, the bad, and the ambivalent.

We should listen to our neighbors when they make sense and when they uphold the values we have in common. But we should not listen when they put expediency or monetary interests ahead of principle, when they use a summit to embrace a military dictator, as they did with Cuban General Raul Castro in the so-called Rio Group summit in Brazil this past December. There is no excuse for a group of elected presidents lowering themselves to the level of a man whose family has controlled a country by fear and force, with Soviet-style one-party elections, for 50 years. There is no excuse, but there are two logical explanations: gratuitous anti-Americanism and pecuniary self-interest. The US should take both into consideration when formulating a response, but not be provoked by sordid motives.

Warning signals of the risks at Trinidad abound. Two weeks ago, Hugo Chavez said he was totally indifferent about meeting US President Barack Obama at the Summit in Trinidad and Tobago. "The reason I'm attending the summit is not that Obama's there. I couldn't care less if he is there or not, if we see each other or not," Chavez told reporters at a public event in Caracas. Chavez said he would go to the upcoming summit to "defend the integration of the Caribbean and Latin America and demand that the empire Obama leads lift its blockade of Cuba, abide by UN resolutions and condemn Israel."

As a participant at the summit, that is Chavez's prerogative, but it does not augur well for a new beginning in the hemisphere. Chavez is attempting to replace democracy with what he calls "21st Century Socialism" in Venezuela. He is willing to inject hatred of Israel into a hemispheric dialogue where it has no place and to tell the United States how to conduct its relations with a military dictatorship 90 miles from our shores. Chavez's 21st Century Socialism is reminiscent of the failed socialist experiments of 20th Century Italy, Germany, Russia and others that destroyed so many societies.

President Obama should reach to all our friends in the hemisphere but must not ignore Chavez or his acolytes. This is an opportunity for President Obama to restate US support of democracies - real democracies - not those who claim the title simply because the leaders were, at some point, democratically elected. The Latin American continent has a long history of leaders who were democratically elected only to later become drunk with power and rule despotically: Argentina's Peron, Cuba's Batista, Peru's Fujimori, Haiti's Aristide, to name just a few. Should we now expand the list to include Venezuela's Chavez, Bolivia's Morales and Ecuador's Correa?

A summit is an instrument of policy; it is not an end in itself. It can lead to a constructive outcome, as the 2002 UN Summit on Financing for Development led to the Millennium Challenge Fund. Or it can be destructive, like the Mar del Plata summit in Argentina in 2005, which is remembered by scenes of Hugo Chavez hatefully spouting anti-US slogans to the crowds in a stadium lent to him by the host of the summit, President Nestor Kirchner.

It is noteworthy that we can remember no productive outcome from Mar del Plata, only tear gas in the streets and arguments in the halls. So at least one summit allowed the radical minority to upstage the responsible majority. This time, in Trinidad, Chavez will be reinforced by other anti-Americans who relish expelling US diplomats, confiscating US companies, harassing private enterprise, and then blaming the US for their lack of economic and social progress. When countries expel another country's diplomats for no good reason, they are usually not interested in genuine dialogue. As I said earlier, not all neighbors are good neighbors.

On the other hand, the US has many good friends in Latin America and the Caribbean, some centrist and some left-of-center, countries that practice democracy and do not allow anti-Americanism to guide their foreign policy, countries such as Mexico, Colombia, Peru, Chile Uruguay, and most of the Caribbean and Central American nations. President Obama should make a very public demonstration of support for those nations in Trinidad. I have attended several summits, one hosted by the UN, one by APEC, one Summit of the Americas, one OAS, and several regional summits in South and Central America. Believe me, the other presidents and their delegations watch very carefully the body language as well as the words of the leader of the United States. Trinidad offers a unique opportunity for our new president to send a signal that he knows the difference between despots and democrats, statesmen and demagogues.

The president should extend a warm hand to Mexico and Colombia. They are under attack by our common enemies, such as narcotics traffickers and organized crime, and by terrorists such as the FARC, the ELN and paramilitaries in Colombia and the Zapatistas in Mexico. In the case of Colombia, the two Marxist guerrilla armies have been aided and abetted by Venezuela and Cuba. Mexico and Colombia are fighting for their survival while trying to uphold the rule of law. These friends now face the added burden of the global financial collapse and it is very much in our interest to help them succeed. Mexico and Colombia deserve special attention because they are freely-elected governments ruled by honest reformers that support the policies that the United States espouses: civil and political rights, individual freedoms, free enterprise and free markets.

Recently we have heard Mexico described as a failing state. I think I know Mexico and I disagree. In 1967, as a brand new US Army lieutenant, I drove the entire length of Mexico by car on my way to my permanent post in the Panama Canal Zone. I have been in Mexico in four different decades and I can tell you that Mexico is *not* a failing state, but it *is* under attack. When a friend is under attack

one comes to its aid, as we have with Plan Merida. We should not issue thoughtless statements that a friend is failing when it is not, because it hurts our friend and it can come back to haunt us. If investors hear bad news often enough, even if their own information is contrary, they may decide to pull their funds out, and thus make doomsayers' prophesies self-fulfilling.

The institutions of Mexico have not failed. The government of Mexico is engaged in a war against ruthless assassins who poison their and our cities with narcotics. Mexico's war is our war; Mexico is fighting the killers of our young and poor people. If our aid is not enough, we must redouble it. We should not criticize our neighbor for the way it is fighting the criminals that our addicts finance. As has been said before, when your neighbor's house is on fire is not the time to criticize its landscaping; it is the time to share our fire hose and our bucket. And in the case of Mexico, while the pyromaniacs are home-grown Mexicans, the fire they set is being fanned from the US in the form of money from US drug addiction.

Mexico today is the Colombia of a decade ago. We need to support Mexico like we supported Colombia, in a bipartisan fashion. Plan Colombia was passed in the 1990's by a Republican Congress and signed into law by President Clinton. It was controversial and expensive, but it was essential and it worked. Not long ago, Colombia was described as a failed state. It has not only survived, it has thrived, and today only needs a level playing field as an equal trade and economic partner of the US to achieve levels of development unimaginable ten years ago. With our help, Mexico will do no less.

Colombia deserves to be treated by the Congress of the United States as the friend and partner that it has proven to be. In the ten years that Plan Colombia has been in effect, that nation has made enormous advances in health, education, human rights, judicial reform, fiscal transparency, national security, counternarcotics, employment, purchases of US products and services, and, yes, Mr. Chairman, in protection of labor rights. It is safer today to be a labor leader in Colombia than an ordinary citizen.

Mr. Chairman and Members of the Committee, it is time for this body to help create decent jobs in the US and in Colombia - and in Panama - by approving the long-stalled trade agreements with both those friendly countries. These agreements are even more necessary to the US economy today that they were last year. We need the jobs that exports to Colombia and Panama will create. If we do not, Hugo Chavez will show up with his buckets of petrodollars and procure more countries into his "ALBA" alliance, a group of leftwing governments including Bolivia, Cuba, Dominica, Honduras, Nicaragua and Venezuela. With the exception of Venezuela, which has the largest oil and gas reserves in Latin America, ALBA is the club of the poorest, least successful countries in this hemisphere. It is also one where autocratic rule predominates.

These hearings ask if there can be a "new beginning" to US-Latin American relations. For that worthy goal to occur, it is necessary to have frank and

constructive dialogue and a relationship of trust with our neighbors. We must then ask whether it is possible to establish a relationship of trust with governments, like the members of ALBA, that undermine civil liberties, that invite the Russian naval fleet to maneuver in the Caribbean, that allow passengers on flights from Iran to land in their capitals without checking travel documents, that purchase weapons factories to manufacture hundreds of thousands of AK-47 assault rifles, that allow Revolutionary Guards to be assigned to Iranian embassies under diplomatic cover, whose high officials are accused of conspiracy to abet drug trafficking.

Michael Rowan attempts to answer that question. Rowan is a Democratic political strategist with 30 years of experience in a dozen nations, and is the co-author of "The Threat Closer to Home – Hugo Chavez and the War against America," a book that examines US policy failures in the region and suggests solutions.

According to Rowan, there are two obstacles that are preventing a renewed relationship of trust with Latin America. "The two obstacles to a new beginning in Latin America," Rowan writes, "are first, the lack of programs to provide the tools of wealth creation to the 200 million Latin Americans who desperately need to know that capitalism and markets can work to reduce their poverty. Until education, enterprise, credit and property titles are universally accessible, Latin America will be a breeding ground for populism and despotism, which are growing like the coca leaf in the Andes.

"The second obstacle," Rowan writes, "is the underestimation of how the arsenal of political weapons including oil, narcotics, gangs, murder, kidnapping and terror can destabilize Latin American democracy, development, diplomacy and defense. Chavez ... is using those weapons but he is not alone. Iran, Hezbollah, Hamas, Russia, Belarus, and China are playing various roles in Latin America that ten years ago they did not. This threat cannot be any longer ignored except at great peril to the U.S."

The same Hugo Chavez who says he is coming to the Summit in Trinidad to demand that the US unilaterally lift sanctions on the Castro dictatorship and condemn Israel is the leader of a government that just this week saw three senior officials, including a close aide to Chavez, accused by the U.S. State Department of assisting narcotics trafficking from Colombia, in an annual report that describes Venezuela as a "major drug-transit country."

That puts the Chavez and the Castro governments in a similar category, since four high officials of the Castro government have been under indictment in US Federal court accused of drug trafficking for many years. These officials include the former head of the Cuban navy and Castro's former Ambassador to Colombia. It is risible to believe that such high officials of a totalitarian regime could be involved in organized crime without the knowledge and complicity of the ruler.

But Chavez is not the only one that is coming to Trinidad to demand unilateral concessions in US Cuba policy. According to press reports, so are "most" Latin leaders. My advice to President Obama is to remind them that the US has free trade with free countries and controlled trade with controlled countries. The US is already the single largest provider of food to Cuba. How can we possibly restrict trade with friendly and struggling democracies such as Panama and Colombia and open trade with a closed society like Cuba where there is not a single independent labor union, newspaper or civic association?

President Obama said the following in his inaugural address: *"To those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history, but that we will extend a hand if you are willing to unclench your fist.*

Those words are a concise and eloquent guide for any US president to follow at a hemispheric summit. We may not know for years if a new beginning in hemispheric relations will be achieved at the Summit. But if President Obama does nothing more than remind our friends, our adversaries and the undecided's of his inaugural address, the US will be well-served in Trinidad.

Thank you.

Chairman BERMAN. Thank you, Ambassador, and I thank all of our witnesses.

I now yield 5 minutes to the ranking member of the committee from one of the centers of the Western Hemisphere, Dade County, Florida, the gentlelady, Ileana Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Chairman, and I indeed have a whole host of questions, but I would like to yield my time, if I may, to Mr. Mack of Florida, the ranking member of that subcommittee. Thank you, Mr. Chairman, for your generosity.

Chairman BERMAN. The gentleman is recognized for 5 minutes.

Mr. MACK. Thank you, Mr. Chairman, and I also thank the ranking member for the time. This is a most important hearing I think, Mr. Chairman, as we move forward.

I guess I will start by saying I think I disagree with some of the statements that have been made by the panel. When I look at Latin America I see real concerns on the horizon.

You see a continuing influence by Hugo Chavez and others in growing away from freedom and democracy and liberty and moving more toward a socialist, communist dictatorship type of governments, and that is not good for the people of Latin America and it is not good for the United States.

But I do think the summit offers a real opportunity for the United States to show it is serious about engagement in Latin America, and I think it is critical that as we move forward we are clear to our neighbors that we want to support those who support us, that we want to strengthen our ties with our allies, that we

want to walk hand in hand, shoulder to shoulder, with those that believe in freedom, democracy, liberty.

For those that don't and for those who have turned their backs on the concept of freedom, I think we need to be tough, and I think we need to suggest and tell them that I don't know how we can continue to support countries that are looking for every opportunity to turn away from us.

I think the President has a real opportunity at the summit, and I think all of us have talked about what it is, what kind of symbols can the United States or the President take to Latin America or to the summit, and I think the most important one is a sense of fairness and a sense of hope and that we do so by supporting those that support the United States and that we show strength in opposing those who do not believe in the idea of freedom and democracy and liberty.

So I would like to ask one question to the Ambassador. You made some serious allegations in your remarks that at least one of the heads of state attending the summit will commit serious crimes or have committed serious crimes. I would like to know who they are.

And also to Mr. Hakim. You talked about Cuba and changing the policies, our policy toward Cuba. I would ask you in changing policies with Cuba are you suggesting that somehow if Castro, the Castro brothers, were to somehow get their hands on more money and more prosperity for themselves that that would somehow move out into the rest of Cuba? I don't think so.

You know, this argument somehow that we are going to start supporting someone with a record like the Castro brothers is crazy to me. They have done nothing to show that they are interested in supporting or enhancing the lives of the people of Cuba. They have done everything to suggest that all they want to do is support their own lives and enhance their own lives through an iron fist mentality that destroys every hope that everybody in Cuba wants to have.

And so this talk that we keep hearing about changing our policy with Cuba, I think it is irresponsible to suggest that without backing it up with how you think that is going to help the people of Cuba when you have the Castros in charge who are bound and determined and do not want to see prosperity for the people of Cuba.

So with that, I would ask for comments from the panel. Thank you.

Chairman BERMAN. The gentlemen have 1 second each. Under the policies announced at our first hearing, I have to say to the gentleman that his time has expired.

The two issues that you raised, I feel, can be worked in through this hearing through other people, and I now call on the gentleman from New Jersey, Mr. Payne, and yield him 5 minutes.

Mr. PAYNE. Thank you very much, and I am sorry I can't be as gracious as the ranking member and yield all of my time to you, but it will be interesting to hear the answers to your questions.

You know, I am wondering if there will really be a real kind of partnership with Latin America. In my opinion, we have never had a real partnership. I think President Kennedy tried the Alliance for Progress and the move in the middle 1960s, but in my opinion a

policy toward the Caribbean, Central and South America has not really been, in my opinion, a fair policy.

We, I think, in the past were pretty exploitive. We controlled the oligarchies and the ruling parties. We supported dictators, which we hear people talk about. There are people who have dictatorial tendencies today. We are very critical of them. However, during the '30s, '40s, '50s and 1960s we tended, and even further on, to be supportive of people who were not very fair to their own constituents.

I don't know. I think, Ambassador Reich, you seem to certainly have the most experience, seven presidential appointments under three Presidents and have certainly been involved in Latin America much more, I believe, than probably or as much as anyone else here, and I just wonder.

We don't have much time at these hearings. Our chairman has a strong gavel, but I wonder if there were some—you know, the way we hear it now is these new leaders are indigenous. Some of them feel that perhaps they should move toward socialism. We condemn socialism in Latin America perhaps.

Socialism may not be the worst thing for Latin America. Leaders are elected. They are elected primarily I guess because they are looked at as those who can change the plight of the people. There is abject poverty in Latin America. The wealthy tend to do pretty well.

So I am just wondering. Did we ever have a flawed policy, in your opinion? I mean, listening to the way you are speaking is that all of this new stuff is wrong. Therefore, I guess you can logically conclude that what was going on in the past was all good.

I just wonder like in Venezuela was it a great government and leadership in Venezuela in the old days? Did Bolivia have a very just leader? We hear about the new leader of Venezuela is very bad. The new Bolivian leader is not good for their people. Of course, it is clear that there is a very strong criticism of Castro, and he has really kind of ruled with an iron fist and not allowed people to have expression.

Is there any way? I mean, if we go down there with this opinion is there any way that we can change policy, or was the policy in the past good and this new regime of leadership bad? Maybe you could in about the 2 seconds I have left if you could say something about that?

Chairman BERMAN. A minute and 10 seconds.

Ambassador REICH. Very quickly, in no way am I going to say that some administrations were all correct and some were all wrong. I think that U.S. Governments in the last 50 years, which is like the period you are looking at, have made mistakes, including those that I have worked for.

However, I think that we learned from the lessons of the 1940s, 1950s and 1960s, that you mentioned, and by the 1970s and 1980s our bipartisan policy, and although I am very critical of say former President Carter in some things I will give him credit for beginning the human rights policy that President Reagan really picked up and ran with.

When President Reagan came to office in 1981, 90 percent of the population of Latin America lived under military dictatorships.

When he left 8 years later, 90 percent—more than 90 percent—lived under democracy. They were imperfect democracies—they still are—but that was a very important move in the right direction.

Under President Reagan we tried to help the people of the Caribbean. I am proud of having been rebuffed by Baby Doc Duvalier. He would not receive me when I was head of USAID for Latin America and the Caribbean because I said that we were not going to give money to a corrupt government that violated human rights.

Chairman BERMAN. Ambassador, I am sorry to interject, but the time has expired. Again, I am confident you will have a chance to expand on that.

Ambassador REICH. Sure.

Chairman BERMAN. The gentleman from California, Mr. Rohrabacher, is recognized for 5 minutes.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. Let me just welcome Ambassador Reich, an old friend who I have worked with over many years, and just call attention to his last statement and underscore that that when President Reagan became President of the United States 90 percent of the people of Latin America lived under dictatorship. Eight years later, 90 percent of the people of Latin America lived in democracies.

That was no accident. That was a strategy that we would change. It was a change in the Cold War strategy of using democracy as a means to promoting something positive to defeat Communism rather than simply being against Communism and supporting caudillos like Samoza and others that had dominated Latin America for so long.

And let me just note that Ambassador Reich played an important role in that transition, and for that the American people should be very grateful. Unfortunately, we see what was accomplished during the Reagan years and since seems to be eroding today.

We see very dangerous trends in Venezuela, of course, and Bolivia and even in Nicaragua where the democratic opposition was split in Nicaragua and former Marxist authoritarians are now back in power. Those things should be of great concern to us.

For example, this weekend there is an election in El Salvador. The election this weekend in El Salvador should be of great concern to all of us. We have former Communist guerrillas, people who would have instituted a Communist dictatorship on that country, who now are participating in the democratic process, are running neck and neck with people who are committed to democracy and have brought friendship and progress, friendship to the United States and progress to their own people.

Let me just note, Mr. Chairman. You stated that there are $54 billion in remittances that go from Latin America to the United States every year. If we end up with left wing caudillos, which are replacing those former right wing and Samoza type caudillos that dominated Latin America, we should not be expected to have the same policies toward those governments as we do toward democratic governments.

Specifically, if countries like El Salvador decide to turn to the left and to anti-American regimes like the FMLN then they should not expect to have a policy that permits the $4 billion of remittances

that come from the United States to El Salvador. That should be true of other countries as well.

Ambassador Reich, what I am getting at is the people of Latin America who decide to go with democracy and decide to be friends of the United States should be treated differently than those governments that become hostile to us. Would you agree with that as a fundamental proposition in dealing with Latin America?

Ambassador REICH. May I? Yes, Congressman Rohrabacher, I do agree. The United States simply doesn't have the resources to be equally generous, let us say, or open with every country in the world.

When a country, a government, decides that it is not going to be a friend of the United States, when it decides to undermine our interests, whether it be on the international scene or even domestically, for example, by violating the rights that we consider important or by kicking out our DEA offices that we consider important or by throwing out a military base as in Manta in Ecuador that helps the entire region in the surveillance of antinarcotics or when they confiscate U.S. properties or expel U.S. diplomats, I think they are sending a signal that they don't want to be our friends.

Now, that doesn't mean we should break relations. It means we should certainly not subsidize them.

Mr. ROHRABACHER. Right.

Ambassador REICH. I have said when I was a government official that we should not have normal economic relations with countries that are hostile to the United States. I don't know that that is a very radical position.

Mr. ROHRABACHER. I think when the people of El Salvador and other countries go to the polls they are determining the government that they will have, and they are also determining their relationship with the United States.

They should know that if they choose a hostile government to the United States like the FMLN down there in El Salvador then that will be determined, the policies we have on things like remittances and other economic cooperation.

Thank you, Mr. Chairman.

Chairman BERMAN. The time of the gentleman has expired.

To abuse the privileges of the chair, the $54 billion that I referred to was not foreign assistance appropriated from taxpayers' funds. It was the size of individual remittances to this hemisphere made by individuals under their own freedom of choice.

Mr. ROHRABACHER. That we permit them to do that. We permit those remittances.

Chairman BERMAN. I thought we were against takings, but never mind.

The gentleman from New Jersey, Mr. Sires, is recognized for 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman. Thank you for holding this very important hearing today.

You know, one of the challenges facing the Obama administration is how to best deal with the current poor relations with countries such as Nicaragua and Bolivia. How do we move forward in light of blatant hypocrisy regarding fair elections and dismissal of U.S. diplomats?

Do you anticipate any confrontation from these countries at the summit, either one of you? Mr. McLarty?

Mr. MCLARTY. I think you raise a very fair question. I think we have to be very thoughtful in how we approach some relationships that you note and where there have been positions taken that are clearly either not in our interest or, more specifically, disrespectful of our Government I think we have to be very firm and clear in that regard.

Having said that, I think we need to be very careful not to work against our own interest by overreacting or making a bad situation worse by complicating it with unnecessary statements or positions, so I think we need to be very measured, very careful, but when there is a specific situation that we need to firmly speak out on and reject we need to do that, whether it is at the summit or in the ordinary course of our diplomatic business or some of the other business that the Congress undertakes in terms of trade preferences and other programs authorized by the Congress.

It is hard to predict how any summit meeting of this type will go with 34 heads of state. My sense is in talking to leaders around the region that it is likely that those who might be confrontational or disruptive will feel an increasing sense of isolation and an increasing sense not to be disruptive or destructive in their discussions, so that is my hope and that is my belief in how I think this summit will go.

Mr. SIRES. I just think that sometimes some of these countries, in order to cater favors with other countries, let us say Venezuela, may go to the summit and really be aggressive and really be confrontational because they will get favor status let us say with oil.

I mean, oil is a very powerful tool to make countries to be confrontational and have someone up front do the confrontation. Mr. Hakim, would you address that?

Mr. HAKIM. There is a problem with the framework that says some countries are our adversaries and other countries are our friends.

We are talking about a continent with 34 other countries. Some really are adversaries or enemies, but these are 34 countries that are very different. They have different histories. Some have very turbulent histories. Some are richer countries. Some are more stable with stronger institutions.

One would expect a great variety of governments in these countries, and it seems to me that we ought to not be looking at the short run, the immediate tension, to punish this leader or that leader. We are a country that has a 200-year history of democracy. Our job ought to be to assist those countries that are moving toward democracy, to try to persuade those that aren't.

There is no good reason for the United States, for example, to pursue a fight with Bolivia. Bolivia is a small, tiny country. What we should do is continually try to find ways to wean it away from the influence of Venezuela.

Our ending of trade preferences for Bolivia. It seemed like a reasonable response to having our ambassador expelled, to having the DEA expelled. No question. On the other hand, there are some 100,000 jobs at risk, poor workers who will suffer. This doesn't

help. It pushes Bolivia closer to Venezuela. It seems to me that it doesn't serve the purpose that we want to serve over the longer term.

And let me just bring in the Cuba question. You said that I could work it in. I want to be very, very specific.

Chairman BERMAN. In your 25 seconds.

Mr. HAKIM. Very, very specific.

Mr. SIRES. I did want to work it in myself, but——

Mr. HAKIM. You know, Brazil has promised to invest something like $1 billion in Cuba. Now, you can say that that is not going to help the average Cuban person, that it is going to largely go to the government.

I can't answer that. I don't have the data to answer that question, but I do know I would rather have Brazil investing in Cuba than having only Venezuela there. I think Brazil is a democratic government and is going to go to Cuba with a commercial relationship in mind. This is much healthier than simply leaving it to the Chinas and the Venezuelas.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from California, Mr. Gallegly.

Mr. GALLEGLY. Thank you very much, Mr. Chairman, and I want to commend you for being my kind of a chairman with the way you run the trains on time.

Welcome to all of our witnesses. Mr. McLarty, good to see you back. We worked together many years ago when you had a different hat on and great respect for the challenges that you faced during those times.

I am going to try to be as brief as I can so that we can have a chance to have a couple answers on a couple questions, but one that really kind of has been a long-term issue that I have associated myself with is the issue of immigration that we have and the challenges that we face.

You mentioned the word comprehensive immigration reform, and now is probably the time. Now, reasonable minds can differ on the definition of comprehensive immigration reform, but it would be very hard in a one-on-one to debate, to argue that it is not de facto amnesty.

We talk about how many folks we have illegally in the country today. No one really knows. Some say 12 million. Some say 20 million. We do know that the 12 million figure was used 7, 8, 9 years ago. It would be hard to argue that that number has not increased. I think probably in my own mind the number is probably closer to 20 or maybe even greater.

Can you tell me how you believe that from a political standpoint our current Majority here can aggressively try to persuade the American people that de facto amnesty, comprehensive immigration reform, the time is correct when we are facing over 10 percent unemployment, when we take a look in many states like California, when we take a look at the challenges on education, health care and the criminal justice system with almost a third of our jails—county jails, city jails, state and Federal penitentiaries—with populations by principally about a third that are illegally in the country having committed a crime; not an immigration violation?

How can you tell me that you really think without taking many members off the political cliff that this agenda can move forward?

Mr. MCLARTY. I don't think there are very many persuasions on the left or the right that feel our current immigration program and system is working in a satisfactory manner. I would start from that premise.

And I don't think you can argue persuasively that the current policies we have reflect the realities that you outlined in your comments, so I think that calls for a serious addressing of the issue and hopefully, hopefully the ability to achieve some type of consensus and reform.

I don't think you can persuade the American people to have outright amnesty, even though there may have been reasons for those people coming here that were very personal, very family oriented, but nevertheless they did not follow the law so there has to be some way to address the realities of the 12 million or 20 million people that are here and how we deal with that.

I would suggest that from a security standpoint and for many more reasons it is essential that we try to address that problem. I think you have to have a very comprehensive program to have some restitution of those people who are here if they are going to earn citizenship.

I think that has to be done, but I would start with even a more basic premise, and that is we have to start with securing our borders first and then work toward comprehensive immigration.

Finally I think you can make the case from the American people's standpoint. I realize the economic situation in our country. I understand your point. You have made it very clearly and with great sincerity.

But I would suggest that our economy is strengthened if we can get our immigration laws in much better order than they are today, not detracted from, and therefore I think the well being of all of our citizens would be enhanced with the proper type of reform that has got to be done on a bipartisan basis. That is what Government Bush and I are working to try to come up with a proposal.

Mr. GALLEGLY. I certainly can't disagree with a great deal that you said, but all too often around here the devil is in the details. If we can collectively work on it, maybe we will be able to move ahead in a positive way.

I wanted to talk about Iran, but I see my time is down to 1 second. Out of consideration for my chairman, who I admire greatly, I yield back.

Chairman BERMAN. I appreciate that. Given the subject you talked about, I will refrain from abusing the privileges of the chair.

The gentleman from Texas, Mr. Green, is recognized for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. I ask unanimous consent to have my statement placed into the record.

Chairman BERMAN. Without objection. That will be the order.

Mr. GREEN. Coming from Texas, obviously Latin America is very important to us, particularly in energy. Many argue that energy security is an area where there is broad consensus in the hemisphere, and it should serve as a launching point for cooperation. In fact, this is one of the three main themes of the upcoming summit.

Additionally, in May 2008 in a campaign speech President Obama proposed an energy partnership of the Americas. Having traveled with our Western Hemisphere Subcommittee to Bolivia, and their problems with energy are really not with the United States. It is actually with their neighbors as a good example, although Ecuador and obviously Venezuela is a different situation.

How do you all recommend that President Obama approach the topic of energy security at the summit and then our policy with Latin America more broadly on energy, both in Latin America, but also for our own citizens? Mack?

Mr. MCLARTY. Congressman Green, I think we have had discussion and dialogue this morning about the proverbial glass being half full or half empty, and we have appropriately I think discussed some of the concerns, deep concerns, problems and emotional issues that we all feel about the region.

Energy is clearly the glass is half full. This is an area of enormous opportunity and logical cooperation, and I think it certainly goes to our economic security in the United States.

I think many of the major countries in the region are very receptive and have already demonstrated that, particularly Brazil and the fact that we are holding this meeting in Trinidad and Tobago, I think one of our largest natural gas producers to the United States.

I mentioned in my testimony, Mr. Chairman, that 50 percent of our energy comes from this hemisphere, so it is a very logical area for us to deepen our relationships and partnerships and particularly in the renewable energy side.

You have Brazil as one of the few countries in the world that is truly energy independent because of their very skillful use of ethanol and their bountiful blessings of sugar cane in their country, but they have been very, very skilled in that regard.

So I think there are a lot of areas we can work together. Obviously with the State of Texas it is a natural. You will have some major private sector players that will understand that, and we would be foolish not to take advantage of that in the Summit of the Americas and not only to discuss at the summit, but have an ongoing effort with our Secretary of Energy and other key Cabinet members.

Mr. GREEN. Any other responses?

Ambassador REICH. Yes, just quickly. Probably Mr. Delahunt may think that I am picking on Venezuela a little too much, but part of our energy problem, frankly, relates to the fact that Venezuela's oil production has dropped by one-third since Mr. Chavez has come to office.

We are far too dependent on oil from other sources, from outside our borders, as President Obama has said and other Presidents of the United States, and I think it is particularly important, especially at a time like this where the price of oil is relatively low, certainly relative to where it was 6 months ago or 9 months ago at $147.

At $45, we should take advantage of that and begin to end our dependence on unstable countries led by unstable leaders such as Venezuela and others; not just picking on Venezuela, but other countries, and develop our own resources.

Mr. GREEN. Thank you. I only have time for one more question.

Because this committee held a number of hearings last Congress, and I am a supporter of the Merida Initiative and what is happening in Mexico, again having a lot of friends and spending time in Mexico real often myself, seeing the tragedy of what is happening in northern Mexico.

My concern right now, and in fact there was a meeting of the Texas delegation bipartisan today on moving the equipment that was made, all the decisions made to there. To the extent, what do you believe the United States needs to review its counternarcotics efforts, and what recommendations do you have in this area? Do you expect the drug policies to come up at the summit?

Additionally, what can we do on our side of the border to help reduce the violence? We had hearings on trying to get control of the firearms that come through the United States and particularly Texas to Mexico. Some folks have heard it. Mack, you understand it.

In Texas, we think it is our God right to own every firearm there is, so we don't want to export them to Mexico, but we also know that we have to deal with it on that side of the border, but also the technology and the help that we want to give the Mexican authorities.

Thank you, Mr. Chairman.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from Arkansas, Mr. Boozman, is recognized for 5 minutes.

Mr. BOOZMAN. Thank you very much, Mr. Chairman. I want to welcome all of you, but especially Mr. McLarty. He is a native son of Arkansas, and we are very, very proud of him and the way that he has served his country and state in a variety of different ways.

One of the things I would like to ask that is certainly related, I grew up in Fort Smith, Arkansas, and through the years we have seen a number of different situations where because of economic plight we have had a number of refugees pass through there.

I guess because of the economy, the dire straits in the economy, looking forward can you predict if you see? Most of these people were fleeing not for freedom or political things. They were just literally starving to death. Can you look forward and kind of give us a prediction if you see not naming countries, but just what are the chances of that?

And then again can you give us some advice as far as planning for the future to make arrangements if those kinds of situations occur? It seems to me like it would be the responsible thing to do now rather than have a situation in the future where we just have to react.

Ambassador REICH. Anyone in particular?

Mr. HAKIM. If there is one country that is most in danger it is Haiti.

It just is a very small island with close to 10 million people living at levels of an African country in the midst of a civil war, very different from any other country in the hemisphere. Clearly this is an unstable situation, and it is going to be like that for many years.

The solution, the first solution, what we are trying to do now with many other countries, is to begin to provide Haiti with the basic elements for development, and that is absolutely crucial.

Haitians in this country, and there is a large population—the vice chairman knows that—are providing a lot of income to Haiti through remittances.

I don't think there is any magic wand on this. I think if war breaks out anywhere we have the large Central American population in Washington and throughout the country in part because of the wars in Central America. There are lots of different reasons for migration. Some of it is economic. Some of it is political. Some of it is for security reasons.

The one country that is in obviously most danger right now is Haiti, and it probably will be for the next 15, 20 years.

Ambassador REICH. Sir, the United States has provided the equivalent of two Marshall Plans to Latin America in the post war era, the equivalent in dollars. We should continue our aid programs, but we should also recognize that the main problem in Latin America in development—the answer to your question is economic development.

If people have decent jobs they will stay in those villages, whether they be Haiti or Mexico or any other country that sends immigrants to the United States. The main problem in my experience—I ran our aid programs for Latin America; this is what I studied in graduate school—is corruption.

The money that has gone particularly from governments in ODA, official development assistance, has not been put to good use either because it has been stolen, outright stolen, or been wasted, a lot of it. A lot of it has done good. I can tell you in Central America back there in the Reagan administration the Central America that we saw in 1981–1982 is totally different from what it is now.

Now, unfortunately I think it has the potential to revert if we don't do something. What we can do, frankly, is continue to open our markets. This is why the last administration put so much emphasis on trade because we don't have other resources. We don't have huge pots of money to provide to a country like say Mexico with 100 million people, Brazil with 180 million people. Fifty-three million of them live on $2 a day. That is the equivalent of an entire country.

But the issue is corruption and goes back to Congressman Mack's question about the crime. The crime that I am referring to is the crime, for example, that you see in Bolivia where a private oil company owner on his way to give a bribe of several hundred thousand dollars in a suitcase to the head of the oil company is murdered and the money is stolen. Now, who did it? It should be investigated.

Crime in Venezuela. A prosecutor by the name of Danilo Anderson investigating government corruption is murdered. The investigation stops.

Chairman BERMAN. The time of the gentleman has expired.

The chairman of the Western Hemisphere Subcommittee, Mr. Engel, is recognized for 5 minute.

Mr. ENGEL. Thank you, Mr. Chairman, and let me say, Mr. Hakim and Mr. McLarty, it was good having dinner with you last

night. I want to just make a couple of statements and then ask anybody to comment on them.

First let me say, Mr. McLarty, you were President Clinton's Special Envoy for the Americas, and in my opinion you were extremely effective, and I think in part because of a combination of your knowledge and your ability to get things done, but also because of your relationship with President Clinton.

The Bush administration eliminated the special envoy position. I think that was unfortunate, but President Obama has said that he will bring that position back to the White House, so I am happy about that and want to know if anybody might want to comment on that.

Let me also say, Mr. McLarty, you had mentioned about President Lula in Brazil saying that the best way for the United States to help Latin America is to swiftly revive our own economy. In light of that, what specifically could President Obama promise at the summit that would help our neighbors in the Americas as they deal with the financial crisis?

Let me throw out a few things. Would it be useful for us to increase U.S. funding for the International Monetary Fund to help countries in the region deal with the crisis or increasing funding for the development banks like the Inter-American Developmental Bank and the World Bank? Let me ask that.

And let me also say that in my opening remarks, I talked about a few actions that President Obama could take in the hemisphere that could be cost neutral, but symbolically important.

One of the things might be a greater commitment to combating illegal firearms trafficking from the United States to Latin America, which I think could in part be shown by sending the Inter-American Convention Against the Illicit Manufacturing Of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials—we call it CIFTA; sending that treaty to the Senate for ratification.

If anybody would like to comment on any of the things that I have mentioned? Thank you.

Mr. MCLARTY. I will try to comment very quickly. Number one, I do think the envoy position should be reestablished, and President Obama during the campaign promised that.

I think it can be quite an effective coordinating position if done properly, and of course you have already seen other special envoys appointed to other regions of the world, so I think it would be a particular mistake not to have a special envoy for the region.

Number two, in terms of the overall U.S. economy, I think the first step is for President Obama to really engage in serious consultations with major trading partners within the region and also other important relationships in the region due to proximity, as well as trading relationships.

Thirdly, I think there is a case to be made for increased support of the agencies that you noted, but there has to be, and I am sure you would fully agree, strong accountability if any additional funding is put forth.

Those would be the three comments I would make, and I would defer to my other colleagues to finish your question. Thank you very much for your gracious hospitality last night.

Mr. ENGEL. Thank you.

Mr. HAKIM. On the specific items, I think that it should be mentioned early on in the crisis last fall the United States did make available $30 billion in currency swaps to four countries, two of them in this hemisphere, Mexico and Brazil.

This was very important. It didn't cost the United States anything. It was a financial arrangement, but it did reassure investors in the two countries and prevented a real collapse of the currency potentially in Mexico and Brazil or inflation.

Mr. ENGEL. And those two countries I think are the most important in terms of our bilateral relationships with them.

Mr. HAKIM. That is also correct. With regard to the international financial institutions, the numbers are huge when you look at what the countries might need.

The estimate of the World Bank president for all developing countries was something like $300 billion to $700 billion to just make up the kinds of resources that will be lost. For Latin America I have seen estimates between about $70 billion to $250 billion.

So the institutions do need more resources. There are some imaginative ways to get at those resources. They have been writing about them in various places. For example, the special drawing rights.

There are ways to increase the resources and flexibility of the IMF particularly, which is the one that handles the large amounts of money, but also the Inter-American Development Bank, the World Bank, the Andean Development Corporation. These are all organizations that have good track records.

Mr. ENGEL. Let me just say, because my time is up, as chairman of the subcommittee, I will be at the summit in Trinidad and I hope that we can raise some of these things because it is really important.

Thank you, Mr. Chairman.

Chairman BERMAN. And your time is up.

The gentlelady, the ranking member, Ms. Ros-Lehtinen, is recognized for 5 minutes.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Thank you for excellent testimony, gentlemen.

Would you all agree that failing to move forward with a Colombia FTA sends a negative message to our allies that the United States cannot be relied upon and that cuts in spending for Mexico that were included in the omnibus tells the Mexican people and those fighting the drug lords that they should not count on the full support of the United States?

Mr. Hakim, on Cuba, first of all, condolences. A Cuban wife. You can commiserate with my husband, Dexter, on your plight.

Mr. HAKIM. I would love to do that.

Ms. ROS-LEHTINEN. All right. You refer in your written testimony to the need for an end to the Cuban embargo, whether justified or not, so are you suggesting that we ignore the prerequisites in U.S. law about freedom for political prisoners, free elections, multi-party system, labor unions, simply to send a message of change to the hemisphere?

Thank you to all three of you. Whoever cares to answer would be fine. Thank you.

Mr. MCLARTY. I will take the first two very quickly and then defer, Peter, to you and Ambassador Reich.

Number one, on the Colombia Free Trade agreement I have already said in my written testimony I think President Obama should go to the summit either with the passage of the Panama FTA, which I think is first in the queue, or at least a clear strategy to get it passed and with a strong forward lean toward the Colombia FTA.

I do think you have to have very specific measures regarding human and labor rights, but I am on record supporting that agreement, Madam Vice Chairman.

As far as the support of Mexico, I have tried to be very strong and clear in my position, in my remarks, regarding our support of Mexico. I don't think it is simply, however, a matter of just more money. I think it is active engagement of focus.

And going back to an earlier question in terms of Chairman Engel's comments about the trafficking of guns, in no way does this get into any of the gun issues. We feel just like Congressman Green in Arkansas.

Ms. ROS-LEHTINEN. Thanks, Mack. I am going to cut you off. Peter?

Mr. HAKIM. First let me just on the Colombia issue. I would like to put it in the positive way that if we were able to move ahead with this, if we were able to sort of approve this agreement in Congress, I think it would mean a good deal to our relationships. It would increase our credibility across Latin America, so I agree with you, but I think the positive is better than the negative on that one.

On Cuba, yes, I probably should commiserate with your husband, but let me say I think we are all after the same thing. If you read the full item under Cuba in there, I think Obama should not only go to Cuba with some idea there is going to be some opening, but that he should make clear that he expects the other countries in Latin America to worry about political and economic opening, to worry about democracy in Cuba as well. In other words, that shouldn't be just the United States' interest. It should be the hemisphere's.

Right now it is impossible to work with the rest of the hemisphere because our policy is so far out of line with everybody else in the hemisphere. I think we would move much more quickly, much more steadily, toward a democratic opening in Cuba, frankly—my view—if in fact we were able to work with countries like Spain and Brazil and Canada, all who have rather extensive relations with the country, and I would much rather have them have the relationship than the Venezuelas, the Irans or the Chinas, frankly.

Ms. ROS-LEHTINEN. Thank you. Ambassador Reich, what do you think of this concept of lifting the embargo on Cuba with no preconditions and yet for Colombia oh, let us whack them with all of these conditions?

Ambassador REICH. I have never seen in my years in government a government more determined to negotiate with itself. The Cubans have yielded absolutely nothing in this debate. All the concessions are unilateral on the part of whether it is the Carnegie En-

dowment report, whether it is Senator Lugar's staff report. They say just lift the embargo.

Lift the embargo, and after 50 years Fidel Castro will immediately release political prisoners, allow free trade unions, do all the things that he has never done. I don't know what they are importing, frankly, from Latin America.

Ms. ROS-LEHTINEN. Thank you very much, gentlemen.

Ambassador REICH. Yes.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman.

Chairman BERMAN. The gentlelady has yielded back her time.

The gentleman from Virginia, Mr. Connolly, is recognized for 5 minutes.

Mr. CONNOLLY. I thank the chair, and I want to say hello to Peter Hakim. You may recall we used to work together 20 years ago when I was on the Senate Foreign Relations Committee.

Mr. HAKIM. Right.

Mr. CONNOLLY. It is fun to be back, and you are still here.

Let me ask a question. I am somebody who believes that focus often helps. When we look at the summit in the CRS report prepared for today's hearing, they point out that there are 600 initiatives that have been introduced through the summit process.

What constructively can really be accomplished with that kind of diffuse lack of focus, and how do we monitor progress on such initiatives? Frankly, is the summit the most useful of platforms for the United States in the pursuit of diplomacy in the region?

Mr. HAKIM. Let me, because I am just going to plagiarize from something Mack McLarty said yesterday, so if I let him talk he will say it and then I won't have something to say.

But the idea of the summit initially was not to sort of come up with mandates for the hemisphere, to come up with huge plans, but really to change the tone and texture of relations among the countries of the hemisphere. There hadn't been a meeting of the heads of state since 1967, more than 25 years since there had been a meeting.

Just the very fact that the U.S. called the meeting, asked the heads of state, suggested that there was something of a community of nations, probably a loose community at best, but still that there is something that binds the hemisphere together.

I frankly have never thought the working through this list of deliverables, this list of mandates, initiatives, is terribly helpful. I think the most important thing is to get the leaders together to talk.

At this summit particularly I think the formal agenda will be less important than the open discussions among the Presidents, and obviously with the spotlight on our President, President Obama.

Mr. CONNOLLY. Mr. McLarty?

Mr. MCLARTY. Well, first of all, thank you for bringing us back to the real world and underscoring some accountability in the process and a bottom line; that is, real results. What kinds of programs really help people or help strengthen democracies? I think you are right on point. Obviously 600 is far too many.

I agree with Peter in terms of the overall framework of the summit, the tone, the relationships, but I do think you can have a

measured number of specific initiatives. I think you can have more than one or two because you had the full Cabinet, who are anxious to engage in the region for the most part, who have common interests or common problems, and I think on a couple of the much higher level priorities like security in Mexico you need to have a strong engagement by the Executive Branch on that.

So I think that is how the process should be broken down. I tried to suggest some at least ways to pursue that in my testimony. Thank you.

Mr. CONNOLLY. Ambassador Reich?

Ambassador REICH. Yes. On democracy, I think we need to be very clear that democracy is more than just an election. I referred to what I said in my prepared remarks. A lot of the heads of state that are going to the summit and go to other summits are democratically elected leaders, and a lot of people say as long as they are democratically elected we have to respect what they do. I disagree.

To be a democratic, a small D democratic, you have to rule democratically. It is not sufficient. It is essential to be democratically elected, but it is not enough. You have to respect the rights of the people, provide opportunities. We can help provide those opportunities, and I agree with my colleagues as to some of the things that we can do.

I will give you a specific example with Brazil. When President Lula came in, and it refers a little bit also to Mr. Payne's question about whether we reach out to governments that we don't necessary agree with. When President Lula was elected in Brazil, I was the Assistant Secretary of State.

He had been a far left radical in Brazil, but we recognized the fact that he was also a small D democrat, had run for President three times, had lost, had never become violent, never become a terrorist like some of his colleagues, and we made a decision to work with him.

President Bush reached out to him, set up a series of bilateral Cabinet level working groups across the economic and social spectrum that assisted enormously in some of the gains that Peter Hakim mentioned earlier that Brazil has achieved in the last few years under President Lula.

We can do this with left of center democrats, with right of center democrats. We just can't work with extremists.

Mr. CONNOLLY. Thank you. Thank you, Mr. Chairman.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from New Jersey, Mr. Smith, is recognized for 5 minutes.

Mr. SMITH. Mr. Chairman, thank you very much.

You know, on that question of working with President Lula, he will be in town this week. The House has a resolution on the floor later on today, H. Res. 125, that speaks to a very serious problem of child abduction.

There is a man in my district or just outside of my district, David Goldman, who had not seen his son for 4½ years, utterly frustrated by the abductors, the kidnappers. His wife is dead, so there is no mother involved. She died last August.

We have been trying very hard to get the Lula government to step in. I do believe that there are people within his government who get it, who understand it, that they have an obligation under the Hague Child Abduction Treaty. Words are good, sentiments are good, but we need actions and deeds.

Any one of the panelists might want to speak to this; there are 51 cases arising out of Brazil and several hundred in Mexico. The number is 2,800 children worldwide who seem to fall into the category of Hague where they should be returned home to their habitual residence and to the left behind parent, yet they have not been.

It seems to me the summit offers an opportunity to accelerate the training of judges or the call for the training of judges. Many of the judges were not Hague literate, particularly at the lower court level, who were dealing with this case.

Again, David had not seen his son for 4½ years. I was there when they had their reunion, and it was a moving experience. The son recognized his father. By an hour's time length they were actually playing around the world basketball and laughing and joking just like dads do, and yet they are still separated, father and son.

Secondly, Frank Wolf and I tried to get into Cuba a month ago to meet with Dr. Biscet to raise the issue of political prisoners who are today being tortured and mistreated in the Cuban gulags. It seems to me that we need to say to our President if you are going to make any move whatsoever, and to the Congress, absolutely the precondition has to be the unfettered release of these brave, nobel—the best and the brightest and the bravest of Cuba who suffer for democracy and for human rights.

They are the Vaclav Havels, the Lech Walesas, the Harry Wu, the Wei Jingshengs of Cuba. They are great people, and today they languish and are so mistreated. So if you could speak to those too?

Ambassador REICH. Mr. Smith, I am a little bit familiar with the Goodman case. I think what it points to, frankly, is the need for one of those elements that is inherent in this entire hearing, the importance of the rule of law. We haven't specifically mentioned it implicitly, but it has been explicit.

It is an essential element to the economic development, which in turn affects terrorism, immigration and everything we have been talking about, and I would really hope that the Brazilian authorities would recognize the human tragedy inherent in this case and return the child to his natural father, but I am not a lawyer. I don't represent anybody in this case.

As far as Cuba, I agree with you completely. What I don't understand also, and I am glad you mentioned the case of Biscet, a doctor, an Afro-Cuban who has been in jail because he opposes the government's forced abortion policies, for example—I mean, this is a moral case—and yet Castro despises him personally because, among other things, he is Afro-Cuban, and Castro believes that all Afro-Cubans should be very happy with him because he told them that he had liberated them.

In fact, that is one of the most racist government structures in the world. There are very few members of Cuban minorities in the Castro Government.

I will yield the balance of my time.

Mr. HAKIM. I can't really speak to the Brazil case, but let me just say I am always concerned about preconditions. I would like to see all the prisoners released, no question. I sit on the advisory committees of several human rights groups and the like.

But the question is, how do you get it done? That would be the question, and I would want somebody who was a professional negotiator to be involved. I think the pressure from other Latin America countries, from European countries, would be helpful. As long as Latin America countries see us as sort of their adversary on the issue of Cuba they are not going to be helpful on many of the issues we want.

It seems to me that the outcome in a year, 6 months better, 3 months even better, of beginning to get these prisoners out of jail and back to good health and back to good nutrition is crucial, but the question is to make it a precondition may in fact lengthen the time they are in jail. They have to get out.

Chairman BERMAN. The time of the gentleman has expired.

The gentleman from New York, Mr. Meeks, is recognized for 5 minutes.

Mr. MEEKS. Thank you, Mr. Chairman. So much to say, so little time. Let me just try to get some points out first before we run out of time.

From my point of view, one of the things that is most important that we do do is I will deal with the trade agreements first. Two negotiated trade agreements that we have with the hemisphere that I think the world is looking at to see what we do.

It is important that we pass Colombia and Panama because wherever I go in the western hemisphere or in South America those are the questions that are asked of me; whether or not we are going to pass it.

When you look at what Colombia has done, as I think stated here, and if you look at Colombia now as opposed to 10 years ago there is no question of the tremendous progress that they have made and continue to make. If you look at it from a selfish point of view as far as whether or not there is a bilateral trade deal, whether or not we are accepting goods into our country and them accepting our goods into theirs, there is no question about it.

So to me it sends and it would be important for the President of the United States to send a signal to the rest of the region that, yes, those trade agreements that we have negotiated with both Colombia and Panama, that we are going to pass them. I think that is tremendously important.

I think that it is also important that we realize and talk about what we can do in the region as opposed to pointing fingers at everyone else, understanding that a lot of the countries that people are pointing at and others, there is abject poverty.

I think it would be more constructive if we were talking about how the United States could be more facilitating or inclusion in the region for poverty reduction and social inclusion.

That is also with reference to the Caribbean, who has to be an integral part of the conversation, because when you talk about these areas and we point fingers and you try to put people down, the fact of the matter is, and this is a good thing, that democracy is alive and well.

I think sometimes people forget what democracy is. Democracy means that the people go and they vote and they choose the way that they live.

Now, I have been to Venezuela. I have seen some of the elections there, and I have to tell you. The people have come out to vote. The same thing in Bolivia. Bolivia for the first time has an individual who is indigenous to the country, and therefore just as Presidents of this country go to their populous who supported them, that is what is happening with some of those Presidents there. It is called democracy.

Now, democracy. You know, we call it democracy in the United States, yet 50 years ago, and this shows you how long we have come. Fifty years ago in the United States my father couldn't vote in the South, but we still called it democracy. We said if any country looked bad at us or called us names even then, we said shame on you. Who are you?

Now we come back, and we have made great progress in this country, to go to these same countries and try to tell them who are you when it happened to us. We should first look in the mirror to determine the man in the mirror before we start criticizing everybody and saying we are going to divide this hemisphere up.

The hemisphere itself in South America, they are trying to come together, but yet we are trying to divide them and make them choose. If you want to be with us, you have to be against them. What good is that?

So what is the role that the United States is going to play with UNISOL, who is trying to come together so that they can have regional security, which if that happened that helps us. You are talking about you want to prevent it. If there is regional security that benefits us, so why aren't we talking about how we can properly interact with UNISOL so that we can make sure that we are now working well on the entire hemisphere for the benefit of all?

I mean, part of this hearing, I wished that it wasn't televised because I think the people are laughing all over saying, What is going on here? And we call ourselves the United States of America who want to promote democracy? You know, it is almost hypocritical. That is the problem. Sometimes people are looking at us as hypocrites.

This conference will give the President of the United States, to show the change that he was talking about not only domestically, but with foreign policy also, and so I think that there is great opportunity to happen in Trinidad, but we have got to talk with people, respect people and understand our own history.

Chairman BERMAN. The time of the gentleman has expired.

The cherry on the charlotte rousse here might be Mr. Delahunt because we do have votes. The real question is, do people want to come back? Do people want to come back afterwards?

I have three suspension bills from the committee on the floor, and the ranking member does as well. We need a presiding officer.

In any event, Mr. Delahunt is now recognized for 5 minutes. Every member has gone around once, so——

Mr. DELAHUNT. I will be happy to return, Mr. Chairman. I will take the gavel.

Chairman BERMAN. You will take the gavel? All right. Will you get the 5 minutes?

Mr. DELAHUNT. You get 10, 15 minutes when you take the gavel.

Chairman BERMAN. Do you want to come back?

Mr. DELAHUNT. No. I don't want to hold our witnesses up. I will just echo the comments by my friend from New York, but I will do it in a more moderate tone.

I think what I have heard here today——

Chairman BERMAN. A first.

Mr. DELAHUNT [continuing]. Is of concern because I think Mr. Meeks is correct. What I hear is words and rhetoric that would divide our policy in very simplistic terms into good guys and bad guys. We have been through that.

You know that famous you are with us or you are against us? I really think that we have to move on because we saw and have witnessed over the past 8 years what that achieved for us. At least what it achieved in Latin America was resentment.

I am reminded of the poll by John Zogby which posts a very simple question. How would you grade the United States Government's handling of our relationships with Latin America? It was 86 percent negative and 13 percent positive, and I guess 1 percent was undecided.

So we didn't do too well during the Bush administration in terms of Latin America no matter how many summits were held. Clearly there was resentment because we were perceived to be, as Mr. Meeks said, telling them what they had to do. That era should be over.

I am really disturbed when I hear that somehow we are going to hold up remittances to El Salvador if they dare vote in an election for a government that we might not like. I thought we won the Cold War, Mr. Chairman, and I am presuming—at least my information is—that the FMLN is no longer considered a terrorist organization, much like the IRA and the Sinn Fein in Northern Ireland morphed into mainstream Irish politics and democracy. So I think it is very, very dangerous not to be labeling all the time.

You know, the Ambassador mentioned me earlier in reference to Venezuela in that he was picking on me. I don't think you are picking on me, Mr. Ambassador. We have had disagreements about your policy vis-à-vis Venezuela.

You know, you mentioned in your remarks that it was important that President Obama send a signal that he knows the difference between despots and democrats. Let me assure you he does. I have no doubt. I have full confidence in President Obama. He will know that distinction.

I daresay in the case of Venezuela he would not have made an effort to support tacitly the coups. He would not have attempted to influence other ambassadors in other nations in Latin America to confer legitimacy to the Carmona government, which, as you know, Ambassador Reich, because you were part of that effort, when Pedro Carmona swore himself in in Venezuela his first act was to abolish the National Assembly, to abolish the judiciary, and I don't know what other democratic institution was abolished under Mr. Carmona, but I daresay that prompted the return of Hugo Chavez.

So I don't think that President Obama would have made the mistake of tacitly supporting a coup and then conferring or attempting to confer some legitimacy on a government that clearly was undemocratic, authoritarian.

Ambassador REICH. Neither did we, sir.

Mr. DELAHUNT. No.

Ambassador REICH. I am afraid I am not going to have time to respond, but I have to respond to that.

Mr. DELAHUNT. Do you know what? There are rules here. I have the floor. You are not yielding the time. I have the floor, and I will yield back.

Chairman BERMAN. The time of the gentleman has been yielded back.

Do you want second rounds? We have 6 minutes to get to the floor for votes. Do you want to chair it?

First of all, to the witnesses. Did you plan to have lunch today?

Ambassador REICH. I would be very interested, Mr. Chairman, if I could, in responding to Mr. Delahunt's allegations because they are serious allegations.

Chairman BERMAN. Well, I will tell you what. I will take time, which I haven't taken yet on this round, and give you a minute to respond. How is that?

Ambassador REICH. Very quickly, sir, I was the Assistant Secretary of State when those events took place. I personally ordered——

Chairman BERMAN. I thought you weren't. Were you Assistant Secretary? I guess you would know, but I was told that you were no longer Assistant Secretary of State.

Ambassador REICH. To the best of my recollection, sir, I was the Assistant Secretary of State on April 11, 2002.

I instructed Ambassador Charles Shapiro to find Mr. Carmona and tell him that if he swore himself in—and this, by the way, is a matter of the record of the State Department, and it is in the investigation of the Inspector General that followed these events, just to make sure we were all telling the truth. The State Department Inspector General was doing his job.

I instructed Ambassador Shapiro to tell Mr. Carmona that if he swore himself in, violating Chavez's own constitution, that he could not count on the support of the United States Government, and we would have to impose economic sanctions, number one.

So, Mr. Delahunt, I am happy to refer you to——

Mr. DELAHUNT. If the gentleman would yield?

Ambassador REICH. Yes.

Mr. DELAHUNT. Okay.

Chairman BERMAN. I will yield.

Mr. DELAHUNT. I thank the chair. You did not convene a meeting of Latin American ambassadors in the State Department and urge them to recognize the Carmona government?

Ambassador REICH. Sir, the Latin America ambassadors requested a meeting with us to find out what——

Mr. DELAHUNT. Did you urge them to——

Ambassador REICH. No.

Mr. DELAHUNT. You did not?

Ambassador REICH. I did not.

Mr. DELAHUNT. That is your testimony here right now in front of this committee?

Ambassador REICH. The——

Mr. DELAHUNT. Okay. I will accept that. Is that your answer?

Ambassador REICH. Well, the——

Mr. DELAHUNT. Is that your answer, Ambassador?

Ambassador REICH. My answer is that we told the Latin American ambassadors what we believe was taking place in Venezuela at the time, but I am telling you that we did not tacitly endorse a coup.

Mr. DELAHUNT. What I am asking you is did you urge——

Ambassador REICH. No, I did not urge.

Mr. DELAHUNT. You did not urge the Latin American ambassadors to recognize the Carmona government——

Ambassador REICH. No.

Mr. DELAHUNT [continuing]. In the State Department?

Ambassador REICH. I do not—you know, the events of that week, by the way, where nobody in the State Department got much sleep, the events of that week are compressed.

I do remember the meeting that my deputy came to me and said the Latin American ambassadors are asking for a meeting. They want to know what is going on in Venezuela. I said I want to know what is going on in Venezuela too. I don't know, because our ambassador, Charles Shapiro, could not find out what was going on. That is when I told him what I just said.

Mr. DELAHUNT. He was on the scene in Caracas at the time?

Ambassador REICH. He was on the scene in Caracas at the time.

Mr. DELAHUNT. Right.

Ambassador REICH. We did not encourage——

Mr. DELAHUNT. The Rio Group on the 11th and 12th, they took action. Do you remember that?

Ambassador REICH. Yes. The Rio Group was meeting I think in Panama, and they condemned the—not on the 11th and 12th. It was actually a little later, if I am not mistaken. It was that weekend.

The events were April 11, a Thursday, and I think the Rio Group was meeting in Panama Saturday. Saturday night was the night that the Venezuelan military brought Chavez back because—you are correct—Mr. Carmona violated the constitution, swore himself in in spite of everything the United States Government in my person and the ambassador of the United States, Shapiro, told him we were going to have to do.

Mr. DELAHUNT. Well, thank you. Thank you for that.

Chairman BERMAN. This is exciting. This is wonderful. This is what I came for, but I have to go vote.

The committee hearing is adjourned. I thank all our witnesses very much. We touched on a lot of important issues, and I appreciate it.

[Whereupon, at 12:18 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Hearing Record

FULL COMMITTEE HEARING NOTICE

Committee on Foreign Affairs

U.S. House of Representatives
Washington, D.C. 20515-0128

Howard L. Berman (D-CA), Chairman

March 5, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in **Room 2172 of the Rayburn House Office Building:**

DATE: Wednesday, March 11, 2009

TIME: 10:00 a.m.

SUBJECT: The Summit of the Americas: A New Beginning for U.S. Policy in the Region?

WITNESSES: Mr. Peter Hakim
President
The Inter-American Dialogue

Mr. Thomas F. "Mack" McLarty
President
McLarty Associates

The Honorable Otto J. Reich
President
Otto Reich Associates, LLC
(Former Assistant Secretary of State for Western Hemisphere Affairs)

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

_____

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE HEARING

Day *Wednesday* **Date** *3/11/09* **Room** *2172 RHOB*

Starting Time *10:12 A.M.* **Ending Time** *12:17 P.M.*

Recesses [-] (_____ to _____)

Presiding Member(s) *Howard L. Berman, Chairman*

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING or BILLS FOR MARKUP: *(Include bill number(s) and title(s) of legislation.)*
The Summit of the Americas: A New Beginning for U.S. Policy in the Region?

COMMITTEE MEMBERS PRESENT:
See attached

NON-COMMITTEE MEMBERS PRESENT:
n/a

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*
n/a

ACTIONS TAKEN DURING THE MARKUP: *(Attach copies of legislation and amendments.)*

RECORDED VOTES TAKEN (FOR MARKUP): *(Attach final vote tally sheet listing each member.)*

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:17am*

Doug Campbell

Doug Campbell, Deputy Staff Director

Attendance - HCFA Full Committee
The Summit of the Americas: A New Beginning for U.S. Policy in the Region?
March 11, 2009 @ 10:00 a.m. , 2172 RHOB

Howard L. Berman (CA)
Donald Payne (NJ)
Eliot L. Engel (NY)
William D. Delahunt (MA)
Gregory W. Meeks (NY)
Diane E. Watson (CA)
Albio Sires (NJ)
Gerald E. Connolly (VA)
Michael E. McMahon (NY)
Gene Green (TX)
Mike Ross (AR)
Jim Costa (CA)
Gabrielle Giffords (AZ)
Ron Klein (FL)

Ileana Ros-Lehtinen, (FL)
Christopher H. Smith (NJ)
Dan Burton (IN)
Elton Gallegly (CA)
Dana Rohrabacher (CA)
Donald Manzullo (IL)
Edward R. Royce (CA)
John Boozman (AR)
Connie Mack (FL)
Ted Poe (TX)

Verbatim, as delivered

March 11, 2009

Opening Statement by Chairman Berman at hearing, "The Summit of the Americas: A New Beginning for US Policy in the Region?"

From a foreign policy perspective, we live in a quiet neighborhood. By and large, the countries of our region enjoy a shared set of values. With one notable exception, the Western hemisphere is made up of elected democracies.

Of our three biggest trading partners, two are on our border. Of our four biggest oil suppliers, three live close by. Our economies are inextricably intertwined and growing more so every day. Remittance flows from the U.S. to the region reached $54 billion in 2007.

Culturally and socially, the region enriches the diversity of the United States every day and in every way. We are today one of the biggest Spanish-speaking nations in the world.

About a decade ago, at the tail end of the Clinton administration, we set out on a path of inattention to our neighborhood and its problems. Here and there we teased the region by proclaiming, as President Bush did in 2000, that the Americas would be a "fundamental commitment" of his presidency.

But then grave problems appeared elsewhere And by the end of the Bush administration, our influence and standing in our comparatively quiet neighborhood was as poor as it has ever been.

After spending the 90s doing our best to promote and institutionalize democracy and the rule of law, we tacitly endorsed a coup in Venezuela.

After 9-11, when we should have enlisted our neighborhood friends in a methodical and joint counter-terrorism plan, we instead ham-handedly lectured a region that had known terrorism for far longer than we had.

With our country's insatiable appetite for illegal drugs, we fueled a regional drug trade and its attendant violence that is today eating away at the institutions of the region's governments.

And then we spent billions of dollars on a heavy-handed and ineffectual counter-drug policy that we left on auto-pilot years ago. Drug flows have changed little and our emphasis on forced eradication at the expense of harm reduction has made us few friends.

We aggressively extolled the virtues of trade, and then we played hard to get.

And last year, in a region in which our past military involvement should cause us to move with exceeding caution, we reestablished after 60 years in mothballs a largely symbolic Fourth Fleet. After the fact, we explained to our concerned neighbors that it was merely an internal Pentagon matter.

On April 17th, President Obama will try to change this regional dynamic when he joins other regional leaders for the Fifth Summit of the Americas in Trinidad and Tobago.

The good bet is that he will be welcomed with open arms, especially given the fine preparation work of the Summit hosts and our Caribbean friends. But expectations are high. Perhaps too high.

There are many questions to resolve: What can the U.S. deliver at the Summit or in the near term to begin to repair our relationship? Should we walk in with a plan, or do we simply listen? Are we putting in the right people to fix this? Should we bring back the Special Envoy for the Americas?

While our gaze was focused elsewhere, the region created a network of groups and subgroups with one common characteristic: The United States was not invited to any of them.

The premier regional political organization in which we do have permanent membership, the Organization of American States (OAS), is struggling. How can we make the OAS part of the solution?

Although I have no intention of making this a hearing about our policy toward Cuba, we would be remiss if we did not try to understand better how our Cuba policy plays in the bigger regional relationship.

Bolivia's Morales just announced he's throwing out another one of our diplomats; last year he expelled our Ambassador and the Drug Enforcement Agency;

Nicaragua's Ortega has spent two years in office confounding even the most charitable reading of his governance;

And Venezuela's Chavez, with his most recent verbal tirade against President Obama, has proven it was not just all about Bush. Are we condemned in the medium term to a cycle of unfriendliness with these countries?

And is there any new thinking at all about Haiti and its epic problems?

With President Lula's visit days away, we are properly putting effort into our relationship with regional leader, Brazil. Can Brazil help us with some of the tough issues on our plate? Does Brazil even want to?

And finally, there's Mexico. President Calderon is among our best allies in the region, but a proven and solid relationship does not in itself resolve the big issues that we need to tackle together. It's only the starting point.

Ronald Reagan once said that "status quo" is Latin for "the mess that we're in." I would add that that status quo ante for our relations with our neighbors may well just be "the mess that we <u>were</u> in."
We have a unique voice in this region, and we need to reestablish leadership on the positive things we believe in. But gone are the days when our influence or authority permitted us to raise our voice and get our way. It was easier, but as we look forward it is neither possible nor wise.

And, let's just say it: Building a wall on our southern border is not going to make any of the big problems to the south go away.

Yes, it's great to be able to come home to our quiet neighborhood. But while we were away, things have changed. I think that's what we should have a conversation about that today.

Wednesday, March 11, 2009
Opening Statement for Congressman Gerald E. Connolly
House Foreign Affairs Committee
Full Committee Hearing: The Summit of the Americas:
A New Beginning for U.S. Policy in the Region?

Mr. Chairman,

Thank you for hosting today's hearing on next month's Summit of the Americas. Despite the growing challenges and strained relations among some members, there is still a great deal to gain by engaging our neighbors across North, Central and South America on a range of issues which know no boundary and affect all our residents: the economy, trade, poverty, crime, terrorism, energy, climate change, immigration, human rights, and, of course, democracy.

Clearly the ramifications of the global economic crisis will be at the forefront of the summit. I would be interested in hearing from our panel how the current situation will affect the ongoing trade talks and what influence market-driven versus state-driven strategies are having on the region's economies.

The interdependence of Western Hemisphere nations on energy alone ought to compel us to seek consensus, particularly on items like sustainable energy. Canada and Mexico supply more than one-third of our energy imports, and it is nations within the Western Hemisphere, not the Middle East, that supply the largest percent of U.S. oil imports. If we are to successfully address climate change, we must enlist our neighbors within the region to be full partners in the cause.

As my colleagues also are aware, we have a growing number of immigrants, particularly from Latin American, in each of our home districts who have more than a passing interest in seeing us address these issues. Nearly one-fourth of the Hispanic community in the Commonwealth of Virginia lives within my district. Hispanics also account for half of the recent U.S. population growth, now representing 15 percent of the population and 13 percent of the workforce. We must be cognizant of the fact that our handling of relationships with other nations within the hemisphere may very well influence our relationship with our neighbors back home.

I look forward to today's discussion on this important topic. Thank you.

House Foreign Affairs Committee

The Summit of the Americas: A New Beginning for U.S. Policy in the Region?

Rep. Klein

Mr. Chairman, thank you for holding this important hearing. Focusing on the western hemisphere on the full committee level is a strong statement to the region that members of Congress are engaged on this subject and would like to move forward with improving our relationships with countries in the Americas.

Mr. Chairman, we are at a crossroads in the region. For too many years, under Democratic and Republican administrations, we have not engaged with Central and South America enough. We have not been able to connect enough with the people or their leaders. This must change, and I believe it will change under President Obama.

The President's announcement that he would attend the upcoming Summit of the Americas is a first step in re-establishing our role in the region. The Summit is an important gathering of regional leaders, and the US delegation needs to make its mark.

I attended the Summit of the Americas in Miami in 1994, and I found that it was so interesting to see the shared concerns of our friends and neighbors in the region. Several years later, between the global financial crisis, the threats of terrorism in the region and energy security, we have more reason than ever to engage. The consequences of leaving a vacuum for others to fill are too critical. I am from Florida, and it's always clear that when there's a bump in the road in Central and South America, we feel it in Florida. We have economic, cultural and familial relationships, and we are invested in the future of the region.

Mr. Chairman, I look forward to many more opportunities to engage on this issue; it is critical to our country's future and to the future of our neighbors.

COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

Donald A. Manzullo (IL-16)
Opening Statement

March 11, 2009

Mr. Chairman, thank you for calling this important hearing on the Summit of the Americas. The future of the United States' relationship with its neighbors in the Western Hemisphere is a topic that is truly important, particularly as a result of recent negative trends in Latin America. Since this will be President Obama's first visit to the region, the Summit provides an excellent opportunity to reinforce America's support for freedom and democracy. I agree that increased attention to Latin America is drastically needed; however, it is important that we send the correct signal that economic prosperity, good governance, and human rights are the core values in which we seek to build lasting relationships.

America's foreign policy priority in Latin America must focus on deepening existing relationships with governments that share similar values with the United States. Colombia and Panama are two good examples where the U.S. can easily forge even closer ties. Passing the pending free trade agreements with these countries will not only promote American exports at a time of economic difficulty but it will also help alleviate poverty in these countries. We must also help governments in Latin America survive the war against organized crime. The scourge of narco-trafficking affects Americans as much as it does Latin Americas so working together to find a solution is a must. By cooperating together America can actively help democratic governments solidify their hard won gains in the face of rising anti-democratic factions in the region.

Leaders such as Hugo Chavez of Venezuela and Evo Morales of Bolivia are driving a wedge through the heart of Latin America. The U.S. cannot take its attention off the region given the vehement anti-American views of these leaders. We must show our neighbors in this hemisphere that choosing the path of democracy and freedom is better than pandering to discredited socialist ideology. In this regard, America must focus increased attention on helping the people of Latin America fight endemic corruption and allow them to take back their governments. Corruption allows the dangerous drug cartels in Mexico and South America operate with impunity. Democracy cannot survive if the people do not see it as a viable alternative.

Rep. Michael E. McMahon

OPENING STATEMENT MARCH 11, 2009:

- Thank you, Mr. Chairman. Thank you to our witnesses today.
- Representatives of the 34 member states of the Organization of American States are continuing to fine-tune the Draft Declaration of Commitment of Port of Spain and I appreciate the challenge they face.
- Uncertainty surrounds this conference with our neighbors to the South.
- The United States has rightfully chosen to engage both friendly and at times, difficult neighbors in this dialogue, and this sheer fact proves that we as a nation cannot be deterred by the despotism seen in some of the other participants of this summit.
- The influence of the gangs, drug traffickers and murderers in the region is growing and unfortunately even spreading into our own country. We are in a position where we do not necessarily have to tighten our alliance with leaders in the Americas that permit the increase of violence and crime, but we must not allow them to stand in the way of addressing these issues either.
- I hope that our panel of experts today will shed light on how the United States can successfully achieve this end not just through this summit, but through the months and years ahead.

Congressman Gene Green's Statement
House Committee on Foreign Affairs
"The Summit of the Americas: A New Beginning for U.S. Policy in the Region?"
March 11, 2009

Thank you, Mr. Chairman, for holding this hearing today, and I would like to welcome our witnesses. Thank you all for being here and for your work and interest in the U.S.-Latin American relationship.

Today's hearing is titled "The Summit of the Americas: A New Beginning for U.S. Policy in the Region?" I don't think there is any question about this.

With President Obama's popularity in the region, his attendance at the Summit allows us an opportunity we have not had in years- the opportunity to address the dismal popularity of the United States throughout Latin America and reinstate an emphasis on relationships of mutual respect with our partners in the hemisphere.

I am hopeful that President Obama will primarily listen to the other leaders because we have learned that we cannot boss our neighbors around and we have seen what happens when we try to dictate policy in the region.

These countries are not dependent on U.S. approval and they formulate their foreign policies on their own terms.

Nevertheless, our economies are intertwined and the role that our financial crisis is playing in the region is just further evidence of this.
Going forward, we should use this economic integration to expand opportunities throughout the region in an effort to address the prevalent high poverty that stifles the local economies and to work towards cooperation on issues that affect the entire region such as energy security.

Again, I am hopeful that we can mend these relationships and I am confident that President Obama will take steps towards doing this at the Summit although I am certainly interested in hearing our panel's recommendations on how they think that he should achieve this.

I am also hopeful that this Congress and our new Administration will give Latin America the focus it deserves and that we will go about our policy in this Hemisphere based on a platform of mutual respect and cooperation on issues that affect all of us.

Thank you again, Mr. Chairman, for holding this hearing and I look forward to the testimony of our witnesses.

Opening Statement

Congresswoman Diane E. Watson
Full Committee
Committee on Foreign Affairs
Wednesday, March 11, 2009
2172 Rayburn House Office Building
10:00 A.M.

"Summit for the Americas: A New Beginning for U.S. Policy in the Region?"

Thank you Mr. Chairman for holding today's very important and timely hearing addressing the possibility of a new era of relations between nations in the Americas. I trust that this distinguished panel before us will provide insight into current state of affairs as well as any needed changes in U.S. policy toward Latin nations.

Though the previous administration made some positive strides in improving relations worldwide with the establishment of PEPFAR, much work still needs to be done. Our neighboring nations are a vital part of our economy, security, and well-being. In designing our new policy stance Congress must remember that this is not a zero –sum game. Our best interests lay with helping our neighbors, so that we may all prosper together. I look forward to the panel's testimony in hopes that we will be able to begin a dialogue that will create a more symbiotic US-Latin America policy.

Mr. Chairman, thank you and I yield back.

_____

Committee on Foreign Affairs
The Summit of the Americas:
A New Beginning for U.S. Policy in the Region?
Wednesday, March 11, 2009
Questions for the Record

Response from Honorable Otto J. Reich, President, Otto Reich Associates, LLC

Rep. Barbara Lee

Cuba

One of the most important challenges for U.S. policymakers regarding the Western Hemisphere is changing our failed policy towards Cuba.

We can better serve American interests and dramatically improve our standing throughout the region by molding policy to reflect reality and putting our countries on a path to a peaceful, prosperous, and productive relationship.

The United States has maintained a commercial, economic, and financial embargo on Cuba for nearly fifty years. And yet, all we have to show for this misguided policy is the needless suffering of innocent Cubans and the alienation of many of our allies. The government that we hoped to destabilize is celebrating its golden jubilee and has effected a smooth transition of power after the half-century reign of President Fidel Castro.

The Cuban transfer of power to Raul Castro and the election of President Obama present a unique and historic opportunity to chart a new course in our Cuba policy.

I am pleased to see that an ideological and bipartisan consensus seems to be emerging recognizing the need for change. For example, I note that even the Heritage Foundation agrees with me that the time has come to ease restrictions on Cuban families and to end the infringement on the right of Americans to freely travel wherever they choose.
The old Cuba policy has been an abject failure and it stands in stark contrast to the policy of constructive engagement that is applied to other socialist or autocratic regimes worldwide.

Q1: What steps should we take to improve relations with Cuba and shift from an adversarial mode to a cooperative one?

Answer: The challenge in formulating US policy toward Cuba is to empower the Cuban people without in any way helping the regime that enslaves them. This is not unlike challenges for US policy toward Iran, Burma or North Korea now or, at an earlier era, toward South Africa, Libya or the USSR. In all the above-mentioned cases economic sanctions have been an instrument of US policy, though not the only one. Some have worked better than others; some may still work. When the embargo against Cuba was imposed, the purpose was to raise the cost to Castro and his

Soviet masters of supporting violence and armed subversion throughout the Americas. The sanctions met this goal. Castro, who had established a network of terrorist training camps throughout his island and was fomenting violent revolution in the western hemisphere, found himself short of funds and had begun retrenching even before the USSR finally succumbed to the successfully confrontational Reagan Administration. The training camps were closed (though Castro hoped only temporarily); the schooling in assassination techniques, bomb-making and placement, kidnapping and extortion, drug trafficking and money laundering, interrogation of prisoners without any regard to international conventions of humane treatment (and no Congressional oversight for those who killed the victims), ended with the victory of the free world in the Cold War. The USSR had invested the equivalent of US$150 Billion to subsidize its Caribbean client. The embargo thus contributed to the bankruptcy of the Soviet Union.

Furthermore, Cubans are suffering not because of the US embargo, but because of communism. Decades of experience everywhere it has been tried prove that communism doesn't work. Shortages of food began in Cuba in 1959, years before the US imposed the embargo but only months after Fidel Castro imposed his disastrous economic policies (I am familiar with those shortages because I lived in Cuba at the time and experienced them). Those policies were so unpopular that Castro had to resort to shooting or jailing peasants and merchants alike who dared disobey his self-defeating socialism. Moreover, Cuba today trades with over 100 countries and can buy any product regardless of origin. Foreign tourists and journalists relate how American consumer products are available for sale at the dollar-denominated stores to which ordinary Cubans are denied entry.

The embargo has been successful, by denying resources to a sworn enemy of the United States. We should not forget that Fidel Castro begged Nikita Kruschev to use Soviet nuclear missiles preemptively against the US during the Cuban missile crisis. Whenever he has had resources, Castro has used them to build up his military, to fund Marxist guerrilla groups in our hemisphere, to pay for military interventions overseas and to expand for his repressive secret police inside Cuba.

Q2: Would you agree with me that one of the best ways for the U.S. to improve its relationships throughout the hemisphere is to normalize relations with Cuba? Please explain.

Answer: The US should decide what to do on the embargo based on US interests alone. The few remaining elements of the embargo are the best negotiating instrument the US has to persuade the Cuban regime to allow even a few democratic freedoms. If US interests happen to coincide with those of our neighbors, so much the better. But just as US policy toward Israel, for example, cannot be outsourced to Israel's neighbors, such as Syria or Iran, US Cuba policy should not be delegated to neighbors such as Venezuela or Bolivia. Even if the embargo had not worked, the US must not unilaterally lift it. We must use it to eventually negotiate with a future government that is genuinely willing to join the community of free and democratic nations. The lifting of the embargo is Castro's number one foreign policy priority. We must use it as leverage to help the Cuban people attain the freedoms that other nations in this hemisphere enjoy and which the US promotes.

Haiti

I want to turn briefly to Haiti and discuss two measures that would assist this troubled country. Haiti, as you all know, is the poorest country in the Americas, with an average per capita income of only $500 a year. One in eight children will die before the age of five. And on to the U.N. Human Development Index, Haiti ranks 146th of 177 countries – lower than even the Sudan. We owe an obligation to help our neighbor – just miles off our own shores – and I am hopeful that under the Obama Administration we will be able to increase the scale and effectiveness of U.S. and international assistance to this struggling country.

In particular, Haiti has a real and pressing need for international aid and technical expertise in the realms of economic governance, agriculture, transportation, infrastructure, resource management, and education. In order to use any international aid effectively, Haiti requires an extensive infusion of knowledge and capacity, which when combined with other contributions can help to create a more stable and productive environment for Haitians.

That is why I have introduced H.R. 417, the "Next Steps for Haiti Act of 2009." With the support of USAID, and in partnership with the Haitian government and civil society, my legislation would create a professional exchange program that would place U.S. professionals, particularly Haitian-Americans, in Haiti in the fields of education, health, infrastructure, and engineering.

Q3: Would you agree that such an initiative would significantly strengthen efforts towards Haiti's long-term development and stabilization?

I look forward to working with Chairman Berman and my colleagues to pass this vitally important legislation.

Lastly, it is clear that no assistance to Haiti would be nearly as effective while Haiti is required to pay over $1 billion to international financial institutions, including the World Bank, the IMF, and Inter-American Development Bank. With an income of less than $500 per year, money paid to these institutions is money diverted from urgently needed basic services like healthcare and education. The debt is clearly not sustainable, so the United States should encourage multilateral institutions to immediately forgive all of Haiti's debt obligations.

Answer: Haiti needs all the help it can get. I have been to Haiti since the 1970's in many public and private capacities. Haiti is the only country in this hemisphere where I have seen a grown man, a US government colleague, cry like a child at the sight of unimaginable poverty. The initiative you cite is a good one. I am a supporter of using the US' vast people-to-people resources with friendly countries but only if there are very strong strings attached and ample oversight. Haiti has been historically plagued by corruption. In the past three years, it has ranked

in the top three on Transparency International's list of most corrupt countries. We must ensure that US taxpayers' money is properly used.

The road to development in Haiti is partly built with resources, but resources alone are not enough. The sad fact is that Haiti's leadership has too often failed its people. Since 1994, the international community, principally the United States, has invested about four billion dollars in Haiti and the country is still the poorest in the Americas. Haiti requires the establishment and enforcement of good governance and accountability. The elite in Haiti must know that there is a price to pay for wasting and stealing public resources.

One way in which the US could help fight corruption in Haiti and other developing countries is by revoking the visas of government officials and private sector individuals found to be involved in corruption. This law is on the books [Section 212 (f) of the Immigration and Nationalities Act] and enforcing it would go a long way toward improving the accountability of the Haitian government. If corrupt officials and members of the private sector knew that this revocation would be a consequence of their actions, it would make them think twice before engaging in dishonest activity.

Q4: Would you agree that one of the quickest ways we can assist Haiti and improve our standing in the Hemisphere would be to lead an effort to forgive Haiti's debt obligations? What are the prospects that Haiti's debt will be forgiven in the short- to medium-term?

Answer: Debt forgiveness can certainly contribute to Haiti's recovery if it is conditioned upon Haiti's implementation of good governance and anti-corruption measures, as described above. Debt forgiveness addresses a major symptom of Haiti's problems, but not the cause, which is, again, a history of government corruption
and systemic incompetence.

Even if debt forgiveness if possible, the US should encourage the generation of additional revenue to the country from the Haitian Diaspora. Haiti's current annual budget is approximately $2 billion. Haitian residents in the United States remit almost $1.8 billion to family members each year, yet this represents only a fraction of their earnings in the US. In other words, US resident Haitians almost double Haiti's national budget each year through remittances. Moreover, this form of assistance goes directly to the people most in need. It circumvents any corruption at the government level and is a direct way to beneficially impact the lives of the common people. The US should examine ways to facilitate more private remittances while always being alert to any foreign government attempt to "channel" (i.e., capture) these private funds.

○