

INTER-AMERICAN RELATIONS IN THE REAGAN ERA

HANS NEUMANN

INTRODUCTION

It seems that Inter-American relations are now at a critical historical juncture. The past two centuries have witnessed numerous failed attempts to establish a lasting foundation for hemispheric cooperation, in which the United States and the Latin American nations would base their diplomacy as much on similar origins and goals as on geographic proximity. The most ambitious forays in this direction have come in the past fifty years, but so have the most disappointing setbacks. In place of a committed inter-American consciousness and an honest partnership, the hemisphere is marked by a lingering sense of political drift, and is host to a set of well-intentioned but idle regional institutions. The choice we face in the last decade of the twentieth century is whether these goals can be resuscitated, pursued under a new paradigm, or abandoned altogether.

This article seeks to explain the roots of this crisis in inter-Americanism, with special emphasis upon the Reagan era, and to explore briefly the possibilities for renewed progress in this field. It is my belief that regional goals and accomplishments have been frustrated largely by two problems. The first of these is the internationalization of interests on the part of United States in particular, but also of Latin America. Their increasingly close ties to other regions of the world tend to devalue the importance and complicate the progress toward a special relationship in the hemisphere. Interests in other regions not only distract from the state of inter-American relations, but actually provoke fundamental reinterpretations of issues in the region itself; security issues are colored more by U.S.-Soviet relations than they are by indigenous concerns in the region. Similarly, U.S. trade relations with the Latin American countries are conditioned by the growing tensions between the United States and its Asian trading partners. This problem is exacerbated by a second problem — the tendency of many Latin American countries to stress sentiment over realism: their strong feelings toward an inter-American ideal yield a profusion of declarations concerning the special ties and principles which bind the American states, without producing substantial political results which would demonstrate the strength of these ties or loyalty to these principles.

Hans Neumann is President of Corimon C.A., a consortium of Venezuelan companies, and President of the Fundacion Neumann. Mr. Neumann was a Research Associate at The Fletcher School of Law and Diplomacy from 1986 to 1987.

Purely rhetorical inter-Americanism does not tackle the more difficult political task of honestly acknowledging the sources of discord and attempting to strike realistic compromises between the United States and Latin America.

CONFLICTING PERSPECTIVES AND INSTITUTIONAL DIVERGENCE

Ronald Reagan entered the White House intent upon pursuing a foreign policy that harkened back to the aggressive unilateralism of Theodore Roosevelt, but he faced an institutional framework dating from the multilateralist policies of Franklin Roosevelt. In order to understand the nature of this paradox and the demands that it placed upon comity in the region, it is necessary to examine the roots of inter-Americanism, the mechanisms that it spawned, and the subsequent intellectual and institutional challenges to it on both sides of the Rio Grande.

The history of U.S.-Latin American relations in the twentieth century is dominated by the rise and decline of the inter-American ideal and the shifting importance of the institutions that it inspired. The period began inauspiciously with the Spanish-American War and Big Stick diplomacy, but eventually gave way at mid-century to a more cooperative and egalitarian atmosphere among the American republics. The hopeful multilateralism that marked the 1930s and 1940s proved to be short-lived and gradually dissipated in the 1950s and 1960s. However, the inter-American ideals that took root at that time among scholars and statesmen remain aesthetically (if nostalgically) attractive. Central to this ideal is what Arthur Whitaker termed the Western Hemisphere idea of "the proposition that the peoples of this Hemisphere stand in a special relationship to one another which sets them apart from the rest of the world."¹ This romantic notion is based on the supposedly political origins, institutions and beliefs of North and Latin Americans. Most important of these is a common emergence from colonialism, and, until the mid-twentieth century, a desire to maintain a distance from Europe.

The inter-American ideal inspired a series of fitful starts in the late nineteenth and early twentieth centuries, but only began to show real promise with President Hoover's repudiation in 1930 of the (Theodore) Roosevelt Corollary to the Monroe Doctrine. This action paved the way for the (Franklin) Roosevelt administration's Good Neighbor Policy, the keystone of which was the U.S. pledge of no unilateral intervention. FDR argued that it was in the U.S. national interest to embrace the principle of nonintervention, *provided that* it was replaced by a shared hemispheric consensus in favor of collective security.² This consensus was comparatively easy to obtain because the clear danger of Nazi aggression united the Americas. For a brief historical moment, the views of the United States converged with those of Latin America, and the region adopted a doctrine of collective security in the face of common

1. Arthur Whitaker, *The Western Hemisphere Idea: Its Rise and Decline* (Ithaca, NY: Cornell University Press, 1954), p. 1.

2. For Roosevelt's full argument, see his article on "Our Foreign Policy: A Democratic View," *Foreign Policy* 6 (July 1928).

threats. This high-water mark of inter-Americanism culminated in the Organization of American States and the mutual security pledges in the Rio Treaty and thereby led to greater cooperation in economic, social and political fields

The irony of the Second World War was that at one and the same time it served to forge the links of inter-American cooperation and to set in motion the processes that would break the chain. The United States entered the conflagration as the dominant regional power in the Americas, but emerged as a global superpower and the guarantor of Western Europe. This new role carried unfamiliar responsibilities and perspectives that were inherently (if not immediately) at odds with its older role as the dominant regional power in the Americas. This internationalization of interests was not confined to the United States, as the Latin American republics themselves became ever more active in extra-hemispheric political and economic affairs. With both parties devoting greater attention to issues outside the region, the inter-American agenda was of less immediate importance. The security consensus reached during the 1930s gradually deteriorated in the face of the more ambiguous challenges of the Cold War period, and hopes for amicable economic relations became frustrated by a series of deeply-rooted disputes over trade, investment and debt. The divergence between the interests of North and Latin America sparked intellectual and institutional challenges to the inter-American idea.

The lack of understanding by many Latin American political leaders of the workings of U.S. governance further aggravates this divergence, and is one reason why foreign politicians condemn U.S. policies in Latin America.

In the United States, the traditional orientation toward Latin America was supplanted early in the postwar era by a preoccupation with Europe, which held the key to the prolonged struggle between Washington and Moscow. Atlanticism was ascendant in U.S. priorities, and statesmen soon translated new terms in the vocabulary of European geopolitics — the Iron Curtain, containment, and the undesirable neutrality — into the lexicon of inter-American relations. The stress upon security considerations meant that the value attached to Latin America, and hence the resources devoted to the region, depended above all on its shifting place within U.S. global strategy. Latin American development became a leading U.S. goal after the Cuban Revolution, when President Kennedy launched the Alliance for Progress, but support for this initiative fell sharply when Washington once again took a complacent view of the region.³

In recent years, Atlanticism has given way to a preoccupation with the Pacific Basin. The implications to this shift for Latin America may appear irrelevant — if the region remains a low priority, what does it matter who heads the list? — but in fact it implies a new set of problems for Latin America. Just as Atlanticism prompted disagreements over the nature and extent of security threats, the Pacific orientation is accompanied by deep

3. See Jerome Levinson and Juan de Onis, *The Alliance That Lost Its Way: A Critical Report on the Alliance for Progress* (Chicago: Quadrangle Books, 1970).

concerns over the chronic U.S. trade imbalance. As is discussed below, many of the measures that are advocated to deal with this problem can severely harm Latin American exports to the United States.

Inter-Americanism also came under increasingly severe challenges in Latin America. This challenge manifested itself in contrasting views among intellectuals of the region's problems and its relationship with the United States. Ranging from the erudite economic analyses prepared by the U.N. Economic Commission on Latin America to the perspectives of political scientists who broke away from the orthodox models developed in the United States,⁴ to the diverse group of *dependentista* theorists,⁵ a new generation of Latin American thinkers developed a body of critical scholarship that helped to redefine the region's sense of self. In contrast to the inter-American idea, with its sometimes strained efforts to accentuate the positive, this scholarship frankly acknowledged that U.S. interests are often different from, and in some instances diametrically opposed to, those of Latin America.

In the realm of practical politics, Latin America has moved away from inter-Americanism in two directions. In one direction, the region is now a much more active participant in world affairs than it was before the Second World War. Latin American diplomats such as the Peruvian Javier Perez de Cuellar have risen to positions of leadership in the United Nations. Argentine Raul Prebisch and Venezuelan Manuel Perez Guerrero were instrumental in founding and directing the U.N. Conference on Trade and Development, the Group of 77, the Nonaligned Movement and the Organization of Petroleum Exporting Countries. The purposes and accomplishments of these various agencies differ widely, but they all implicitly reject the notion that the countries of the hemisphere should act as a society of nations unto itself, with the United States sitting as the first among equals.

In another direction, inter-Americanism is challenged by a growing movement toward a more exclusive Latin Americanism. Stemming from a vision of what the Latin American countries could accomplish in a politically united and economically cooperative environment, this movement toward greater South-South integration bypasses altogether the more traditional North-South axis. Among the many institutions and programs that have been built upon this foundation are trade associations (CACM, ALADI, and the Andean Group), subregional cooperative organizations (the River Plate Basin System and the Amazon Cooperation Treaty), and sectoral agencies dealing with energy, shipping, tourism, agriculture, and other issues.⁶

Perhaps the clearest institutional contrast between inter-Americanism and Latin Americanism is found in the distinction between the Organization of

4. See for example Ruben M. Perina, "El Significado de los Estudios de las Relaciones Internacionales en América Latina," in Gerhard Drekonja K. and Juan G. Tokatlian, *Teoría y Práctica de la Política Exterior Latinoamericana* (Bogota: Fondo Editorial OEREC, 1983).

5. J. See for example Fernando Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979).

6. For a review of the various intraregional organizations, see Chapter 1 of Inter-American Development Bank, *Economic and Social Progress in Latin America: Economic Integration* (Washington, D.C.:IDB, 1984).

American States (OAS) on the one hand, and the Latin American Economic System (SELA) on the other. While the OAS is founded upon the assumption of harmony among all the states of the Americas (Cuba excepted) and is often hampered by the natural inclination to go no farther than the lowest common denominator, SELA is composed exclusively of Latin American and Caribbean countries and is thus less prone to encounter the natural gridlock caused by the inconsistencies in the goals and interests of its constituent states.

The intellectual and institutional divergence between Latin America and the United States was well on its way by the time Ronald Reagan assumed the presidency in 1981, but it has accelerated in the ensuing years. Latin America appears to have been an extremely low priority for the incoming administration, which limited its initial focus to the immediate security problems in Central America, and the new Republican team subsequently dealt with the region on a largely *ad hoc* basis in a series of episodic crises. In the aggregate, these crises obliged Reagan to devote more attention to Latin America than any president since John Kennedy, but the sporadic U.S. responses lacked a clear definition of a coherent strategic theme. The rift between the United States and Latin America has grown wider, and the appeals to an inter-American ideal have become more rhetorically hollow.

SECURITY ISSUES AND INTER-AMERICANISM

Just as security concerns were the catalyst that impelled closer inter-American cooperation during the Good Neighbor era, they have presented the clearest evidence of North-South divisions in the Reagan years. The potential conflicts implied by the United States' twin roles as the dominant power in the Americas and the global superpower were realized in full force during the 1980s. The manner in which the Reagan administration handled these conflicts further reduced the inter-American security consensus.

A truly effective regional security system would ideally perform three functions: mediate any conflicts that might arise between Latin American states; provide for the common defense against external aggression; and dissuade the United States from operating as a unilateral regional "policeman" concerned only with preserving its regional interests. The inter-American security regime has performed the first function adequately in several instances, most notably in a series of brief Central American conflicts.⁷ The juxtaposition of the United States' regional and global roles makes the latter two goals difficult, if not impossible to achieve. First, the interlocking system of mutual security pacts entered into by the United States in the immediate postwar years — the Rio Treaty, NATO, the Baghdad Pact, SEATO, and ANZUS — implicitly assumed that any external military threat to these alliances

7. See J. Lloyd Mechem, *The United States and Inter-American Security, 1889-1960* (Austin: University of Texas Press, 1961); Mary Jeanne Reid Martz, *The Central American Soccer War: Historical Patterns and Internal Dynamics of OAS Settlement Procedures* (Athens, OH: Ohio University Center for International Programs, 1978), pp. 24-72; and John Child, "Peacekeeping and the Inter-American System", *Military Review* 60 (October, 1980).

would come from the Soviet bloc. They made no provision for the possibility of conflict among the overlapping U.S. security responsibilities. What would the United States do if two of its military allies engaged in hostilities with one another? Second, the traditional concept of collective security was founded upon the supposition that military threats are direct and overt. How would the inter-American system interpret internal military challenges to existing governments, when the U.S. perspective was dominated by an extra-hemispheric conception of security?

The first problem did not emerge as a real issue until early in the Reagan presidency, when the Anglo-Argentine dispute over the sovereignty of the Malvinas (or Falklands) Islands boiled over into open armed conflict. The war brought the U.S. obligations under the Rio Pact into direct conflict with its NATO commitment, and decisively demonstrated that Atlanticism weighs more heavily than inter-Americanism in Washington's calculations. Although the Reagan administration attempted to remain impartial at the outset of the crisis, it eventually turned the Monroe Doctrine on its head by not only allowing but abetting the forcible recapture of a European colony.

The second and more prevalent tension in the inter-American security regime concerns the differing interpretations of internal military threats by North Americans and Latin Americans. The United States sees most revolutionary threats to established Latin American governments as a manifestation of the East-West struggle, and hence subject to action within the collective security paradigm. Latin American nations generally view some of these conflicts as internal struggles which are unrelated to the wider U.S.-Soviet conflict. Until proof to the contrary is demonstrated, these conflicts should be subject to the injunction against intervention in the internal affairs of sovereign states. This is not to say that Latin Americans are entirely opposed to the principle of collective intervention — many have supported "progressive intervention" in support of democracy⁸ — but the United States and its southern neighbors rarely agree on when this principle might best be applied.

Just as the United States is wary of calls to overthrow right-wing dictatorships (e.g., Trujillo in the early 1960s), Latin American states reject U.S. proposals to intervene in revolutions (e.g., the Carter administration's call in 1979 for a hemispheric "peacekeeping force" in Nicaragua). The United States succeeded in only one of its infrequent efforts to win Latin American acquiescence in collective intervention (Dominican Republic, 1965), and it has more often resorted to unilateral intervention. The only apparent effect of the inter-American system upon postwar U.S. "police" functions has been a more scrupulous effort on Washington's part to maintain the appearance of nonintervention by engaging in covert rather than overt operations. The interventions in Guatemala (1954), Cuba (1961-1964), and perhaps in Chile (1973), differed from the armed U.S. incursions of the early twentieth century only in the degree to which the United States acknowledged its involvement.

8. See for example *Romulo Betancourt: Interpretación de su Doctrina Popular y Democrática* (Caracas: Editorial Suma, 1958).

The hesitation to assume a clear long-term role in the defense of the genuine democratic institutions of the region may be the underlying reason that many political leaders of Latin America publicly have rejected the U.S. intervention in Grenada, while privately they have expressed their relief that the threat of another Marxist regime being established in the region has been eliminated.

These earlier covert operations partly foreshadowed the current controversy over U.S. assistance to the Nicaraguan contras. The U.S. strategic conception of the problem is certainly similar. The perspectives, conclusions, and recommendations of the Kissinger Commission were fundamentally identical to those in the strategy papers of previous administrations, including both the Republicans, (e.g., Milton Eisenhower's findings in 1953 and 1959) and Democrats (e.g., the 1961 report of President Kennedy's Latin American Task Force).⁹

All three administrations were careful to invoke the special inter-American relationship, but each was inspired primarily by global geopolitical concerns. Like the Eisenhower and Kennedy planners, the Kissinger Commission viewed unrest in Latin America as a twin product of social inequality and Soviet interference, and it recommended that the United States respond by devoting economic and military resources to the region. Thus, Eisenhower's Social Progress Trust Fund, Kennedy's Alliance for Progress, and Reagan's Caribbean Basin Initiative all stemmed from the same theory of containment through economic development, and each was accompanied by an increase of U.S. military operations.

The indecision and fuzziness of U.S. policies in Central America created the need for peace initiatives by others, i.e., the Contadora countries and signatories of the Arias Peace Plan.

There are no basic differences between the goals of the Contadora or Arias plans and the Reagan administration. The discrepancies lie in the procedural steps of how to achieve pluralistic democratic government in Nicaragua. The failure of the United States to establish a clear policy and to offer a viable solution has created a vacuum which is a breeding ground for situations where any government can assume a temporary role in the region, and thus further diminish the natural importance of the United States.

The current Central American crisis can be distinguished from earlier episodes, however, by the long-term effects it may have on Latin American diplomacy. Both the Contadora and Arias initiatives can be appropriately viewed as products of the failure of both traditional inter-Americanism (i.e., OAS mediation) and traditional unilateralism (i.e., U.S. intervention) to bring the conflict to a definitive conclusion worked out by the Latin Americans

9. Milton Eisenhower, *Report to the President: United States-Latin American Relations* (Department of State Publication 5290, Inter-American Series 47, December 1953), and *Report to the President: United States-Latin American Relations* (Department of State Publication 6764, Inter-American Series 55, January 1959; Levinson and de Onis, op.cit.; and *Report of the National Bipartisan Commission on Central America* (Washington, D.C.: United States Government Printing Office, 1984). By way of contrast to the Kissinger Commission Report, see *The Americas at a Crossroads: Report of the Inter-American Dialogue* (Washington, D.C.: Woodrow Wilson International Center for Scholars, 1983).

themselves. Unlike previous administrations, which had the luxury of toppling unfriendly regimes relatively quickly, the Reagan administration has been unable in seven years of covert operations to dislodge the Sandinista regime. This gave other Latin American nations a window of opportunity in which to pursue alternative means of resolving the impasse. The Contadora and Arias initiatives have each served to reinforce the movement toward Latin Americanism as a distinct force in the region's diplomacy. As a result, whatever the ultimate outcome of the Central American crisis, the influence of the United States inevitably will be diminished.

ECONOMIC ISSUES AND INTER-AMERICANISM

Economic relations between the United States and Latin America have always suffered from differing views on the advisability of closer ties, and the rights and obligations that trade liberalization confers on countries of differing economic status.

Much of this conflict has taken place at the institutional level, where the inter-American system plays only a marginal role. The OAS Special Committee on Consultations and Negotiations offered a forum in the 1970s for the resolution of U.S.-Latin American trade disputes, but its accomplishments were modest, and it is now moribund.¹⁰ For its part, the United States seeks to advance its international economic agenda through the General Agreement on Tariffs and Trade (GATT), which is frequently criticized as a "rich man's club" that ignores developing countries. Latin American negotiators place greater stress on institutions that are sensitive to the interests of developing countries, whether globally (i.e., the U.N. Conference on Trade and Development), intraregionally (i.e., ALADI), or through the development of unified positions vis-a-vis other countries or groups of countries (i.e., SELA).

The differences between the United States and Latin America accelerated in the Reagan years when two distinct threats to the region's trade interests arose. From one direction, the Reagan administration sought to expand the scope of the international trading regime in several ways which the Latin American nations opposed. In addition to pressing for the extension of GATT rules into the realms of investment and trade in services, both of which intrude upon sensitive areas of sovereign control,¹¹ the United States also seeks to sidestep established principles in trade negotiations. The increasingly aggressive U.S. negotiating tactics present Latin American countries with a choice between acceding to demands that they open their markets and services sector or face the prospect of unilateral retaliation.

At the same time, the United States stepped up its own restrictions on imports. The economic downturn of 1982-1983 prompted a renewal of pro-

10. See U.S. Department of State, "United States-South American Trade Liberalization Prospects," unpublished study (May 1983).

11. On trade in services, see Miguel Rodríguez Mendoza, "Estados Unidos, América Latina y el debate internacional sobre el comercio de servicios", in Rodríguez, ed., *Una Coexistencia Difícil: América Latina y la Política Económica de Estados Unidos* (Caracas: Editorial Nueva Sociedad, 1987).

tectionist demands in the United States. It led the Reagan administration to make a great show of combatting the more objectionable congressional proposals, while making several "pragmatic" compromises that restricted access to the U.S. market.¹² Some of the accommodations to protectionist demands include approval of legislation in 1984 that significantly tightened U.S. trade remedy laws,¹³ negotiation of "voluntary" steel export restraint agreements with nineteen countries (including Brazil, Mexico and Venezuela),¹⁴ tighter restrictions on textile and apparel imports, and making special tariff treatment under the Generalized System of Preferences subject to Latin American concessions to U.S. trade demands. The Caribbean Basin Initiative was the only trade proposal put forward by the Reagan administration that improved Latin American access to the U.S. market, but congressional protectionists ensured that the actual benefits conferred by this program were severely limited.¹⁵

These developments take place against a backdrop of rising Latin American vulnerability to U.S. economic demands. Between 1981 and 1985, the share of the region's exports destined for the U.S. market rose from 37 percent to 47.3 percent; during the same period, the share of U.S. imports originating in Latin America fell from 15.6 percent to 13.6 percent.¹⁶ In other words, the degree of economic harm that the United States could do by restricting Latin American products rose, reinforcing the United States' position as a dominant partner in a power-based trade relationship.¹⁷ The importance of these figures is multiplied by the concurrent emergence of the debt crisis, which elevated export expansion from an important economic objective to a vital regional imperative.

The very existence of the debt problem is a symptom of the breakdown in the inter-American system. During the mid-1960s, when the Inter-American Development Bank and the World Bank served as the system's multilateral financial agents, private banks accounted for only 12 percent of Latin American debt; after twenty years of declining U.S. commitment to multilateral financial institutions and the frantic moneylending of the 1970s, the banks' share rose to 64 percent.¹⁸ The amount of private debt and the larger number of actors involved further complicate the difficulties of coordination and reduce the prospect for an ultimate resolution of the problem.

12. For an account of the "pragmatic" approach employed by the Reagan administration, see Craig Van Grassek and Stephen Lande, "Trade with the Developing Countries: The Reagan Record and Prospects," in John Sewel, et. al., eds., *U.S. Foreign Policy and the Third World: Agenda 1985-1986*, U.S.-Third World Policy Perspectives no. 3, (New Brunswick, NJ: 1985).

13. See SELA, *Latin American and the United States Trade and Tariff Act*, Document SP/AL-EU/LCA/DT No. 1 (March 1985).

14. SELA, *Latin America and U.S. Protectionism: The Steel Case*, Document SP/CL/XII.O/DT No. 8 (April 1986).

15. See SELA, *The Caribbean Basin Initiative: An Evaluation of First-Year Results*, Document SP/CL/XI.O/DT, No. 11 (September 1985).

16. Figures calculated from U.S. Department of Commerce data, and cited in SELA, *América Latina en la Economía Mundial: Problemas y Perspectivas* (Mexico City: Siglo Veintiuno Editores, 1987), p. 56.

17. For the classic statement on trade as a power-based relationship among unequal parties, see Albert Hirschman, *National Power and the Structure of Foreign Trade*, expanded edition (Berkeley: University of California Press, 1980).

18. Data in Table 62 of Inter-American Development Bank, *Economic and Social Progress in Latin America: 1987 Report* (Washington: IDB, 1987).

Latin America and the United States certainly share a common interest in resolving the current debt crisis — numerous studies document the economic havoc that it causes for U.S. exporters.¹⁹ But the problem still remains. The issue is not a lack of possible remedies; the menu of potential solutions includes the Baker Plan (partial infusions of private capital to the debtors), the Bradley Plan (partial writedowns and interest rate reductions), the Sachs Proposal (internationally-supervised adjustment programs), increased lending authority for the multilateral institutions, private writeoffs by major banks, innovative proposals such as debt-for-equity swaps, creation of a “debtor’s cartel” among the Latin American countries, and outright repudiation of the obligations. What the system lacks is sufficient leadership to devise and implement a suitable solution that draws upon one or more of these various proposals. This leadership vacuum presents further evidence that the traditional inter-American system is incapable of solving the problems facing the Americas today.

CONCLUSION

The apparently firmer U.S. global stand during the Reagan era, accompanied by a lack of hemispheric priorities and long term policies, has created a dangerous vacuum of power in the region.

While the tone of this essay may appear negative, its message is not pessimistic. I have attempted to show that the United States and Latin America today are no longer bound together by the Western Hemisphere idea, and that the attitudes and institutions of the present inter-American system are not adequate for solving its numerous disputes.

Nevertheless, I believe that the foundations for better relations between North and Latin America are within our grasp, but only if the future U.S. administration undertakes a frank assessment of current problems. Space does not permit any lengthy speculation on the possible contours of an alternative relationship, but a few general points can be mentioned. The first step in developing a new paradigm in hemispheric relations is to recognize the extent to which U.S. and Latin American interests converge and diverge on specific points of concern. The sentimental attraction of the Western Hemisphere idea is no substitute for a realistic and honest appraisal of the distinct interests of the American republics. Each has its different resources, levels of economic development and political necessities which are distinct from more global considerations. Where such an appraisal finds common interests, the United States and Latin America should indeed attempt to build upon their natural base of cooperation. There may still be disagreements over the precise means for solving shared problems — the issues of debt and narcotics control come to mind — but these matters are surely not beyond our abilities to solve.

19. See for example, U.S. International Trade Commission, *The Effect of Developing Country Debt-Servicing Problems on U.S. Trade*, USITC Publication 1950 (March 1987); U.S. Congress, Joint Economic Committee, “The Impact of the Latin American Debt Crisis on the U.S. Economy”, (photocopy, May 1986); and Stuart Tucker, “Update on the Costs to the United States of the Recession in the Developing Countries,” Overseas Development Council Working Paper (December 1985).

Such an appraisal will also reveal those areas in which the interests of the United States and Latin America diverge. While there may be some temporary relief in presuming that faithful declarations of inter-American solidarity will sweep these differences away, failure to confront our problems squarely will only prolong them. We need to develop the means to stimulate productive and frank dialogue on the issues that divide us in order to reach solutions that are, if not ideal, at least acceptable. As in any diplomatic enterprise, consultations can be conducted with an eye toward the principles of linkage, compromise, reciprocity, and a proportional distribution of sacrifices, but we must start by acknowledging the necessity of negotiating in the first place.

The Americas may be due for an institutional overhaul before this process can begin in earnest. Latin America must reinforce its institutional capacity to analyze regional problems and develop realistic solutions. In the process of constructing closer ties among themselves, the Latin American states can strengthen their ability to negotiate collectively and coherently with the United States. While some U.S. traditionalists may view such a development as a threat to well-established regional routines, others may come to appreciate that it is in the interests of their own country to find creative answers to problems that have thus far evaded resolution.

Developing a new paradigm in our relationship is a tall order but it is one worth pursuing. The elections in 1988 — in the United States, Mexico, Venezuela, and elsewhere in the hemisphere — could offer an opportunity that we should not let slip. This can be a first step toward a more productive understanding, if we are willing to take it.

