REMARKS BY SENATOR JOHN McCAIN TO THE AMERICAS SOCIETY AND THE COUNCIL OF THE AMERICAS

February 9, 2011

Washington, D.C. – U.S. Senator John McCain (R-AZ) will deliver the following remarks today, Wednesday, February 9, 2011 at 9:00 a.m. ET, at the Americas Society/Council of the Americas' launch of the winter edition of *Americas Quarterly* in Washington, D.C.:

"Thank you, John [Negroponte], for that generous introduction – and for your many years, decades even, of service to our nation. Let me also thank Susan Segal, and the rest of the leadership of the Council of the Americas, for inviting me here to speak with you this morning about U.S. leadership in the Western Hemisphere.

"For those like John and me, with long memories of Latin America, the progress of our hemisphere today appears most remarkable. I traveled last month to Colombia, Chile, Panama, and Brazil, both Rio de Janeiro and Brasilia. I had planned to visit Mexico as well, but I had to cancel it and return home after the tragic shooting in Tucson. The countries I visited are obviously unique, with different experiences and challenges, different strengths and weaknesses, but each one reflects the new and very exciting realities emerging today across Latin America.

"I remember a time when democracy in the Americas was still mostly an aspiration, as it is today in Tunisia, or Egypt, or many other countries. But today there is not only a strong democratic consensus in our hemisphere; our friends and allies in the Americas are putting democracy to work for their citizens, especially the poor and the disadvantaged – using their representative institutions to help people escape poverty, to turn economic growth into social mobility, and to include ever more citizens in the life of their nations. As a result, countries across Latin America are emerging not just as regional actors, but as confident shapers of global events.

"Now, it is certainly true that many countries in our hemisphere still face serious challenges, some of which I saw firsthand last month – from wrenching poverty, to humanitarian crises, to threats posed by transnational drug and criminal gangs.

"And of course, it is also true that there are still some unfortunate exceptions to the democratic consensus in our hemisphere. In Cuba, for example, one Castro has given way to another, and the institutions of tyranny remain largely unchanged. In Nicaragua, history is tragically repeating itself, and Daniel Ortega has been on the wrong side of it each time: He is now consolidating a leftist dictatorship that is trampling Nicaragua's laws and, last year, even attacked neighboring Costa Rica.

"And then there is the sad case of Venezuela. In just over a decade, the Chavez regime has squandered the progress of a great and proud nation: The economy is now collapsing; the murder rate has quadrupled; the regime is wasting its people's precious resources on aggressive military capabilities that it does not need; any pretense of democracy that once existed is now being thoroughly removed, and all that remains is brazen authoritarianism. The Venezuelan people are enduring a human tragedy, and every democracy in our hemisphere should condemn it.

"But despite the challenges that remain in the Americas, as daunting as they are, and despite the few

autocratic outliers that also remain, as troubling as they are, our partners in Latin America are succeeding, and they are succeeding, most of all, because of our shared values: a commitment to human rights and democratic development, opportunity and equal justice, free minds and free markets. The success of our neighbors is a credit to their own hard work and perseverance, but the United States has provided critical support, and more than any other factor, perhaps the most beneficial form of our support has been our free and open trade.

"Free trade has always been a critical pillar of U.S. leadership in our hemisphere. It has fostered democratic ideals and institutions, lifted millions out of poverty, strengthened our workers and those of our neighbors, and propelled the rise of Latin American democracies as global actors. Now is not the time to relinquish our historic leadership on trade in the Americas; it is the time to renew our leadership.

"For the past two years, there has been a lot of nice talk about trade, but precious little action to open new markets and sign new agreements. Nonetheless, I was encouraged by the President's commitment to finalize our trade agreement with Korea last year, and I am equally encouraged by some of his recent White House appointments, especially Chief of Staff Bill Daley, who moved NAFTA through Congress for President Clinton. These are good steps, but they do not amount to what we need: a concrete plan of action – with clear goals and timelines, backed by political will – to pass existing trade agreements, and to sign and ratify news ones.

"I appreciate the President's advocacy for the Korea FTA, which Republicans fully support, but no trade policy can be serious and complete without a specific plan to move our FTAs with Colombia and Panama as well. Republicans want to work with the President on trade, and I believe we can, but we will not accept a divide-and-conquer strategy on Korea, Colombia, and Panama. We must pass all three.

"I am told the U.S. Trade Representative is testifying this morning to the House Ways and Means Committee, and that he will convey the Administration's support for sending the Colombia and Panama FTAs to Congress, provided they first work with these governments to resolve some alleged outstanding issues. I wish this had happened in 2009, not 2011, but I welcome any greater willingness from the President to pass these FTAs. That said, I believe our agreements with Colombia and Panama should have been passed yesterday — without changes — and I certainly do not think we need to resolve any 'outstanding issues' to pass them later this year. Now that the Administration seems to be moving the goal posts on our allies, I will be eager to confer with them and gauge their reception to this proposal.

"For my part, I cannot imagine what more we could want out of these agreements. As many of you know, more than 90 percent of Colombian exports already enter the United States duty free, but in the five years that we have failed to ratify the Colombia FTA, U.S. companies have paid \$3.2 billion in Colombian import tariffs, which would disappear under the FTA. Since 2008, the United States has lost roughly \$800 million in agricultural exports to countries that trade freely with Colombia. Though less stark, the story is the same with Panama: The people most disadvantaged by our failure to ratify this trade agreement are U.S. workers.

"What's more, Colombia and Panama are not waiting on us. This is the new reality in our hemisphere today that too many Americans don't understand: Our neighbors are not dependent on us. They are confidently pursuing their own interests, with us if possible, but without us if necessary. Colombia and Panama – and many other Latin American countries – are concluding their own FTAs, often at our expense. Since 2006, U.S. exporters have lost 10 percent of their market share in Panama. And from 2008 to 2009, our main agricultural exports to Colombia declined by more than 60 percent. These jobs are going to Europe, and Canada, and China, not because their workers are out-competing ours, but because Washington is forcing our exporters to compete with one hand tied behind their back.

"I also don't buy that Colombia's human rights record needs to improve further for us to pass that FTA. Lest we forget, just one decade ago, Colombia was a failed state. Terrorists, insurgents, and drug gangs fought to

control the country, and life for too many Colombians was nasty, brutish, and short. Fast-forward to today, and Colombia's transformation is nothing short of a miracle. The murder rate today is actually lower among trade unionists in Colombia than average citizens. President Santos has concrete proposals to address every one of the longstanding concerns of human rights organizations. Indeed, his vice president is himself a respected labor rights activist. It is also worth bearing in mind that of the dozens of FTAs that Colombia has either concluded or is currently negotiating, the only one with any labor rights provisions whatsoever is its trade agreement with the United States.

"The need to ratify our FTA with Colombia will become even more dire in a few days, as it appears all but certain that Congress will fail to reauthorize the Andean Trade Preference Act, which expires on Saturday. This legislation gives Colombia, along with other Andean nations, privileged access to U.S. markets. It has done wonders for Colombian workers and American consumers alike, and as a result, these trade preferences have been renewed by every Congress for the past 20 years, regardless of which party was in power. If these trade preferences expire this weekend, with no FTA in place, it will be a double slap in the face for Colombia.

"The economic cost of not ratifying these trade agreements is bad enough, but the strategic cost is arguably worse, and that is ultimately what's at stake here: It is about sustaining U.S. leadership, and it is about how our country treats its friends. Colombia and Panama are unapologetic U.S. allies in a region where that is not always popular. Their democratic governments embody every value of freedom and human empowerment that the United States, at its best, has sought to foster in the Americas. Indeed, we have invested more than \$8 billion over the past decade to support Colombia's ongoing transformation from a failed state to a flourishing democracy. If we cannot pass FTAs with willing Latin American partners like Colombia and Panama, what signal would that send about U.S. global leadership? What signal would it send about our resolve and reliability to allies in places like Iraq and Afghanistan, who are expecting far more from us than a trade agreement – indeed, who in many cases are literally depending on us for their very lives?

"How we approach trade policy this year will contribute significantly to perceptions of U.S. leadership all across the world. If we continue on our current course, I fear that the impression will deepen that we are a weak, unconfident nation, too fearful to compete in the global economy. That is a dangerous signal to send. But if we change course now, if we ratify our existing FTAs with Korea, Colombia, and Panama – and if we move expeditiously to sign and ratify new trade agreements, in this hemisphere and beyond – we could breathe new life into our traditional economic leadership. We could continue forging a powerful new platform for free-trading nations in the Americas to compete across the Pacific with the giants of Asia. And perhaps most importantly, we could honor long-overdue commitments to some of our most valued democratic neighbors. If engagement with the world means anything, it surely means this, and we should not waste another moment."

###

