

**PREPARED REMARKS FOR
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When I looked over the agenda for this conference, my initial thought was "What perfect timing!"

The reason I say this is because I believe that having made a success out of NAFTA and now having set the stage for the establishment of a Free Trade Area of the Americas, we can now move into what I believe is an essential set of next-tier necessities.

These next-tier needs involve the rule of law, with all of its implications. This conference can help us focus on how we achieve them.

Strangely, many people in the U.S. believe that NAFTA is something that has yet to prove itself. And yet, after six years, NAFTA is clearly one of the most successful trade agreements of all time. It is the largest free trade area in the world.

NAFTA is significantly larger than the European Union. Mexico, by itself, buys more U.S. exports than Britain, France, and Germany combined. And Mexico is #2, behind our biggest trading partner, Canada! Together, Mexico and Canada purchase more than 40% of all U.S. exports.

Other trade agreements have been successful, too, and they have formed the foundation for what should happen next. We must push to expand the openness afforded by the largest trade agreement ever proposed, the Free Trade Area of the Americas, and push for the development of the next tier of necessary instruments: Rule of law, transparency, democratic practices, reform of legislative and legal institutions.

From my perspective, there is one more time dimension that is critical: We are three weeks from the U.S. Presidential election, with both candidates committed to the FTAA. The winner of our election will join newly-elected presidents in Chile, Argentina, Mexico, Uruguay, and numerous other Central and South American countries, all of whom are committed to hemispheric integration.

Some people missed it, because of the surrounding clamor, but President Lagos, of Chile, made a speech at the U.N. Millennium Celebration, proposing that the FTAA negotiations be accelerated by two years, with ratification in 2004 and implementation to begin in 2005.

This conference is also timely in another sense, for the discussions tomorrow are about the integration of the countries of the Americas into a democratic fold. The path towards democracy mirrors the march to economic integration that is taking place.

The integration of the Americas that is ongoing became a realistic possibility because of the courage and vision of Jimmy Carter. Despite the hemisphere's huge potential, the same courage and vision are needed today, if that potential is to be realized because, at a deeper level, there is a disturbing feeling that nothing has changed despite our progress.

Corruption, lack of a reliable rule of law, and unmatched income disparity continue to be the dominant characteristics of the region.

My belief is that, although important and far-reaching reforms are under way, the most promising of them have not yet reached critical mass. Still in their infancy, these movements for reform are vulnerable to disruption, and in many cases, are uncoordinated and uneven. Much attention must be given to the critical frailty of the basic institutions of democracy throughout the region.

One reason that civil society issues, like fair labor standards, or environmental concerns, are so threatening in Latin America is that many countries do not have a legislative forum with sufficient credibility to allow these issues to be debated. As a result, there is always a risk that these concerns will be taken directly to the streets.

The same is true of judicial reform. Efforts are ongoing in every country, but these tend to be narrowly defined, reflecting the focus of the agency or NGO providing the funding. Broader concerns, such as civil rights, access to the courts, and fairness must be emphasized.

Our political challenge is two-fold. First, we've got to raise the level of awareness among our political leaders and private sector CEOs regarding the frailty of the basic institutions of democracy throughout Latin America.

And second, we've got to find ways to make the average voter aware of the extent to which citizens of the U.S. have a stake in the success of this hemisphere. President Carter and I both have had experience in state government, where matters like this are referred to as jobs and economic development.

People win elections on jobs and economic development. Our challenge is to show how jobs for our children depend on strengthening the democracies south of us.

We often hear of the "special relationship" between the United States and the rest of the hemisphere. I believe such a relationship does exist, and it can grow stronger if the promise of democracy and free trade can engender the progress that our hemisphere needs evenly, across the board.

We have seen the success of NAFTA, we have witnessed the success of the Caribbean Basin Initiative in all its forms and we are cognizant, now, of the promise that the FTAA can have.

But, more so now, we are aware of what we have to help Latin America do if our people are to reap the benefits of their own creativity and industriousness.

The second-tier necessities, anchored by a belief in the rule of law, can help move Latin America to institutionalize new mechanisms that establish human and worker rights at the same time that it affords the private sector the added confidence that its investments will be protected.

Fair standards, transparency, open practices and stable and productive legislative processes at all levels of governance are the next stage of purposeful development in Latin America. And you and I can be decisive in this process.

Some aspects of NAFTA still may be theoretical, and many people in the U.S. believe that NAFTA is something that has yet to prove itself despite the fact that NAFTA is clearly one of the most successful trade agreements of all time. But few can dispute that it helped open up Mexico's electoral system.

So in this context, this conference is critical, and as we speak of such things, we know that the integration of the Americas became a realistic possibility because of the courage and vision of Jimmy Carter.

Despite the hemisphere's huge potential, the same courage and vision that President Carter demonstrated more than 20 years ago are needed today if the full potential of our people is to be realized.

President Carter and I both have had experience in state government, where matters like this are referred to as jobs and economic development. People win elections on jobs and economic development. Our challenge is to show how jobs for our children depend on strengthening the democracies south of us.

I am an attorney by profession, a businessman because of family and a former member of Congress, and I have served in the executive branches of local, state and federal government.

I feel keenly the foundations that are needed for a democratic system to work. At every stage of the governmental process, there has to be bedrock on which you can build. It is called confidence in governance. Without it, any progress will always be jeopardized.

We have to keep on the road we are on, and we should remember that we are moving past one milestone and reaching for the next one.

Tomorrow, as we work through the workshops that have organized for us, I hope that we keep in mind that the push for free trade has been, in fact, a push for freedom itself. And that is our next challenge.