
The US and Latin America: What Lies Ahead? (ARI)

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Theme: On 4 November American voters will choose the 44th President of the United States. While the voters have learnt much about the US presidential candidates' views on Iraq, Afghanistan and other key foreign policy issues, little has been said about relations with Latin America. Despite its importance to the US, Latin America has not emerged as a significant topic of debate in the campaign.

Summary: Both candidates promise to forge stronger relations with Latin America. The Democratic candidate Barack Obama promises a relationship of equality among states and a 'bottom-up' approach to reducing poverty. The Republican candidate John McCain will look to trade and open markets to reignite growth and development. Neither candidate has addressed the impact of the current global financial crisis on future relations with Latin America.

Important differences between McCain's and Obama's policies towards Latin American revolve around a few key issues, notably Cuba, the Colombia free trade agreement, homeland security/immigration and how to deal with resurgence of anti-American radical populism. The arrival of a new Administration in January 2009 will require building on the substantial legacy of the Bush Administration and forging new ties with key Latin American states in a period of major international economic turbulence and in the context of an altered geopolitical landscape.

Analysis: The 2008 US presidential electoral campaign has focused very little on US-Latin American relations. Only in the last presidential debate did the candidates directly raise a Latin American policy issue: the pending Free Trade Agreement with Colombia. McCain called for its approval by Congress, while Obama demanded enhanced protection for Colombian labour leaders. Other than the debate, the candidates have limited their discussions on Latin American policy issues to a few speeches, although McCain did make a quick July visit to Colombia and Mexico.

Undoubtedly, the next US President and his foreign policy team will face a Latin America that is more nuanced, more divided and less certain about the region's future. The new Administration will encounter a Latin America concerned about the prospects for continued economic expansion after five years of steady growth and already beginning to suffer from the initial impact of an anticipated global economic slowdown.

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Several key geopolitical factors will greatly influence the capacity of the next Administration to articulate a regional policy that is genuinely different from the policy pursued by the Bush Administration:

- (1) Despite the importance of Latin America to the interests of the US, the region will continue to play second fiddle as major foreign policy challenges focus the next occupant of the White House on critical challenges such as: keeping Weapons of Mass Destruction (WMDs) out of the hands of terrorists; securing a stable, democratic Iraq; turning back the continued onslaught of al-Qaeda and the Taliban in Afghanistan and Pakistan; and deterring Iran and North Korea from acquiring nuclear weapons. Russia's new assertiveness coupled with China's continued strategic rise will also predominate grand strategic thinking in Washington. Europe, India, Taiwan, South Korea, Turkey and Israel-Palestine will all garner greater attention than Latin America as these massive geopolitical challenges will tend to still trump more localised, more complex and seemingly less urgent Hemispheric issues.
- (2) The region has long looked to the US and the 'Washington consensus' for guidance on a host of economic issues, from macroeconomic policy and financial flows to finance growth. The current Wall Street crisis has begun to spread into the emerging markets of Latin America and produced forecasts of substantial slow-downs in growth, effectively ending a period of accelerating economic growth that ran from 2002 to 2007. The likely slow-down in the US economic activity will have broad, if yet undetermined, consequences for the Western Hemisphere and the rest of the world. Economic turbulence will severely impact the implementation of any new regional policy for the next Administration, restrict available resources and place a new premium on stimulating growth in the US import economy while reigniting foreign investment.
- (3) The overall direction of US-Latin American relations remains closely linked to complex and difficult US domestic issues such as immigration reform, homeland and border security concerns including the border fence with Mexico, US domestic drug consumption and drug laws, and the prevailing public attitude towards open markets, free trade and international competition. Achieving real energy security with emphasis on renewable and clean sources of power may well be the greatest domestic challenge facing the US. Subsequently, it is hard to see how attitudes towards the US and its policies will change significantly in Latin America without movement on these critical domestic issues. The old adage about the US needing to lead by example remains fundamental to revitalising its ties with Latin America.
- (4) Many Latin American nations –led by Brazil and Venezuela– have adopted new strategies for integration as well as national agendas that –at least until the current economic crisis– allowed for the flexing of new found agricultural, energy and financial muscle. With this economic heft comes a greater desire to control one's political future. Subsequently, from the establishment of the Union of South American Nations (UNASUR) and the convening of a December Latin America summit without the US to the establishment of a South American rival to the IMF (*Banco Sur*) and breaks with the dictates of the World Bank and the International Monetary Fund, South America is demonstrating a desire for greater political and economic autonomy from the US. Even strong trade partners of the US such as Chile and Mexico have signed dozens of free trade agreements in all parts of the

world and seek more agile and diverse integration into the global economy. Latin Americans are making progress against the traditional asymmetry that dominated relations between the North and Southern hemispheres during the 20th century. The entry of China and India into the global economy, coupled with the steady presence of the EU and a more activist Russia, will ensure the field of Latin America's potential international partners remains diversified. The diplomatic leverage and economic influence of the US remains important but it is undergoing comparative decline. The new Administration must make quick adjustments to accommodate these changing realities.

- (5) Since 2001, Latin America has moved further to the left of the political spectrum. Popular disenchantment with many aspects of the Washington Consensus and the structural reforms of the 1990s have resulted in a nostalgic shift back to more state-centric, socialist solutions. Yet the Latin American left is far from monolithic and is divided between a majority of nations like Brazil, Chile and Uruguay that subscribe to a moderate, market-friendly social democratic course with expanding safety nets and the more aggressive, illiberal, authoritarian 'socialism of the 21st century' espoused by Venezuela's President Hugo Chávez and members of the Bolivarian Alternative for the Americas (ALBA.). Chávez's desire to become the energising axis for Latin America's socialist integration as well a pivotal player in a multi-polar world that freezes out capitalism, globalisation and weakens the US is ambitious for the leader of a coalition of poor states whose combined GDP is equivalent to that of the state of Illinois. The next US President will have to bank his hopes for the future with serious and responsible nations and leaders, even if they follow social democratic and sometimes even nationalistic policies.

While most in the US recognise that Latin America is no longer the 'backyard' of the US, that region remains very much part of the same neighbourhood and its problems will have a deep and enduring impact on the next Administration.

The Bush Legacy: Was George W. Bush So Bad for Latin America?

As in many areas of foreign policy competency, the Democratic candidate Barack Obama claims that the US 'has been negligent toward our friends, ineffective with our adversaries, disinterested (*sic*) in the challenges that matter in people's lives, and incapable of advancing our [US] interests in the region'. Many outsiders will interpret an Obama victory in November as confirmation of this harsh critique.

The Bush Administration has been maligned by academics, the Left, and much of the media in the US and abroad. Such criticism is based on the decline of the popular appeal of the US –the result of actions taken in defence of its national security such as the war against radical Islam and the Iraq War, as well as its unilateralism in the face of gridlock in international bodies and for its often misunderstood doctrine of 'pre-emptive war'-. As a result, little credit is given to the substantial accomplishments of the Bush Administration in the Americas.

Under President Bush, the levels of foreign assistance doubled over those of the Clinton Administration. The Bush Administration launched two major initiatives to tackle global development and health challenges. For instance, its Millennium Challenge Corporation (MCC), first proposed in 2002, has begun disbursing nearly US\$1 billion to six of Latin America's poorer nations. The President's Emergency Program for AIDS Relief (PEPFAR)

has dedicated billions for the global fight against HIV/AIDS and is saving millions of lives world-wide, including in focus countries in the Caribbean.

Sticking with Plan Colombia, begun under the Clinton Administration, the Bush Administration employed a strategy that granted support to counter-drug and counter-insurgency efforts leading to a virtual re-founding of the Colombian state. With steady US assistance, Colombia is no longer in danger of becoming a failed narco-state and is making substantial headway against the armed left and right and large drug cartels. Such progress has resulted in the demobilisation of over 30,000 paramilitaries, falling rates of homicides and kidnappings, and major improvements in control of national territory.

The Bush Administration has saved thousands of innocent lives in Colombia that would have been lost to political and drug-related violence. While not defeated, the narco-terrorists of the Revolutionary Armed Forces of Colombia (FARC) have been reduced to pre-1990s numbers and suffered a precipitous decline in international support.

The Bush Administration completed and won congressional approval of free trade agreements with Chile (2004), the Central American-Dominican Republic Free Trade Agreement (CAFTA-DR) (2005) and Peru (2007). It negotiated but has not yet ratified free trade agreements with Colombia and Panama. The Democratic-controlled Congress, led by House Speaker Nancy Pelosi, has played hardball with the Bush Administration and indefinitely tabled the legislation for political rather than economic reasons. If the Congress were to pass the pending agreements, the US would have a chain of steady trading partners stretching from Canada to Chile.

The Administration worked hard to solidify ties with Brazil, capitalising on a good personal relationship between Presidents Bush and Luiz Inácio 'Lula' da Silva. The US-Brazil Bio-fuels Partnership committed the two nations to work together to develop regional and global markets for ethanol and bio-diesel, which are critical to Central America and Caribbean efforts to improve energy security and sustainable development.

A US\$1.5 billion, three-year assistance package for Mexico and Central America, known as the Mérida Initiative, passed Congress earlier this year. The Bush Administration rightly states that this plan began with an unprecedented appeal for help by the Mexican President Felipe Calderón and that the Initiative was developed with input from both sides, creating a new paradigm for US-Mexican security and anti-drug competition. The Security and Prosperity Partnership with Canada and Mexico has established a forum and a framework for dealing with a variety of regulatory and security issues shared with two of the US's top three trading partners.

Numerous Bush Administration policies towards Latin America have gone overlooked. For instance, under the current Administration, there has been a sharp increase in debt forgiveness of billions of dollars for the most indebted nations in the Western Hemisphere. Additionally, the Department of Defence and the US Southern Command have helped to forge new security concepts and partnerships aimed at dealing with a broad array of non-traditional transnational threats ranging from drug trafficking and international terrorism to emergency responses to hurricanes, migration crises, and environmental threats.

The Bush Administration has found the rise of the rise of radical populism –with its tendency to use electoral mandates to concentrate and perpetuate authoritarian powers, to silence opposition, and to destroy the checks and balances essential to liberal

democracy– to be an unhelpful turn of events in Latin America. The Bush Administration has displayed limited tolerance for the totalitarian system of Cuban communists, for the increasingly radical antics of Hugo Chávez or for the heavy-handed misrule of the Sandinista leader Daniel Ortega, whose old fashioned anti-Americanism helps keep Nicaragua among the poorest and worst governed countries in the Americas.

Yet modest assistance to beleaguered democratic parties in the Western Hemisphere and occasional critical jabs delivered by Washington officials are far cries from the substantial inter-American interventions of the Cold War era. The US sat cautiously on the sidelines during numerous critical Latin American elections, such as that of Mexico in 2006. Most recently, the State Department has followed a ‘no response policy’ when attacked by Chávez, resisting, for example, the call from many quarters to place Venezuela on the list of state-sponsors of terror following the revelations of extensive support provided by Chávez for the narco-terrorism of the FARC.

It is a reasonable proposition that some months or years ahead, Latin Americans with the exception of Bolivia and Venezuela will look back with considerable nostalgia at the Bush Administration’s Latin American policy.

The Latin American Policy of Barack Obama

The son of a Kenyan immigrant father and a white mother, Barack Obama is a 47 year-old Columbia University and Harvard Law School-educated, first term senator from Illinois. While he spent part of his childhood in Indonesia and serves on the powerful Senate Foreign Relations Committee, Obama has yet to visit Latin America.

Obama promises a new partnership with Latin America, one that he claims will renew US engagement with the Americas. Overall, the outlines of Obama’s foreign policy for the world and the region are being shaped by key players from the Clinton Administration such as the former National Security Adviser Tony Lake, the former Clinton advisor Greg Craig and the former Assistant Secretary of State for African Affairs Susan Rice. Younger guns, such as Daniel Restrepo from the Center for American Progress, and the former Clinton official Frank Sanchez have taken the point for the Obama campaign on Latin American issues. Former senior Department of State officials, such as Ambassadors Peter Romero and Robert Gelbard, are ready to help while Senator Christopher Dodd (D-Conn), chairman of the subcommittee of the Western Hemisphere, and Governor Bill Richardson of New Mexico appear to have played a role in shaping Obama’s Latin American outlook and policy proposals.

If elected, Obama will display a new *persona* to the citizens of the Americas. As one supporter observed recently: just imagine the reaction when President Obama lands for the first time in multi-racial Brazil. Obama will undoubtedly generate tremendous media appeal in many quarters and will capitalise on his identity as the first non-white US president, on his charisma, youth, energy and abundant rhetorical skills to usher in an aura of change.

The Obama camp believes it can recapture the diplomatic high ground and is attempting to reach inspirational heights, drawing heavily upon the policies of heroes enshrined in the pantheon of the Democratic Party, such as Franklin D. Roosevelt’s ‘Good Neighbour’ and John F. Kennedy’s ‘Alliance for Progress’. In one campaign rally, Obama went so far as to promise an ‘Alliance for Progress for the 21st Century’. Campaigners for Obama have also rediscovered FDR’s Four Freedoms speech and the inspiring vision of the 1941

Atlantic Charter; a current campaign mantra says ‘What’s good for the people of Latin America is good for the people of the United States’.

Stressing that he will be a listener rather than a talker, Obama promises a dialogue of mutual respect and relationships of equality with Latin Americans. The US will no longer, he claims, talk down to Latin Americans. As the Democratic Platform states, ‘we must turn the page on the arrogance in Washington and the anti-Americanism across the region that stands in the way of progress’. Promised changes in voice and style will constitute much of the new approach to the Hemisphere: diplomacy will now be conducted in the measured tones of the *Harvard Law Review* rather than a Texas accent.

One of the first actions Obama promises is re-establishing a special envoy for the Americas, a measure that harkens back to the Clinton Administration and is designed to show that Washington is again paying attention to Latin America. For much of his presidency, Bill Clinton –with apparent success– charged his close confidant Mack McLarty with injecting the US into regional politics. Under Obama, much will hinge on selecting a Special Envoy with access to the President and the White House inner circle and a leader able to corral and co-opt the bureaucracy to accomplish the ends of the Administration.

The Obama camp also recommends change on certain key issues:

- **Cuba:** It promises a two-step approach. The first step will be removal of restrictions on family visits and remittances to Cuba followed by presenting the Cuban regime with what it terms a ‘transition option’ urging the unconditional release of political prisoners as a first step towards a reciprocal lifting of the US embargo and the lure of normalised diplomatic relations. Citing the examples of Richard Nixon and Ronald Reagan, Obama indicates that under certain circumstances he is prepared to enter into direct diplomacy with Cuba’s Raul Castro.
- **Colombia:** Obama promises to continue the Andean Counter-Drug Program, to support Colombia’s fight against the FARC and to end the terror of the paramilitaries; all positions largely staked out in the Bush Administration. Contrary to reigning Latin American opinion, Obama affirmed support for ‘Colombia’s right to strike terrorists who seek safe-haven (*sic*) across its borders’, an endorsement of Colombia’s strike against the camp of FARC leader Raul Reyes in March that caused a crisis in relations with Ecuador and threats of war by Hugo Chávez. On the other hand, Obama will likely pair with senior Democratic officials on the Hill to continue expressing displeasure over the alleged right-wing ties of the Colombian President Alvaro Uribe and will ration funding for military assistance in Plan Colombia, preparing for more ‘soft-side’ support to deal with demobilisation, reintegration and other human security issues in Colombia. Obama has expressed opposition to the Colombian Free Trade Agreement as it stands and vows to ‘end impunity’ and improve accountability in Colombia, to demand greater protection for Colombian trade unionists and stiffer labour and environmental conditions before passage.
- **Mexico:** Obama’s views on Mexico are less clear. In 2007, he noted that ‘our complex relationship with Mexico has become captive of a single issue: the immigration debate’. Obama continues to recommend both increased border security and comprehensive immigration reform but has offered few specifics other than urging a path to citizenship for the estimated 12 million presently in the US illegally. He has

indicated that he will build on the counter-drug efforts of the Mérida Initiative but stresses the need to redouble demand reduction efforts in the US and to stem the flow of guns, cash and precursor chemicals from the US into Mexico.

- **Trade:** On trade, Obama has adopted positions championed by critical Democratic constituencies such as organised labour. The Obama stance on free trade includes the controversial promise to renegotiate the North American Free Trade Agreement and to review other agreements such as the CAFTA-DR treaty which Obama opposed. The Democratic candidate also promises to support ‘fair’ trade, a concept freighted with all sorts of hidden protectionist and obstructionist possibilities that might stall future trade deals indefinitely.
- **Economic development/poverty reduction:** In campaign literature, the Obama team promises to double spending for foreign assistance, expand the Peace Corps, develop a greater diplomatic presence in the Americas and support broad, deep institutional change throughout the region. ‘It is’, he says, ‘time for the United States to again be a beacon of hope and a helping hand’. Obama pledges a renewed assault on poverty, promising to launch what he calls a ‘bottom-up’ approach. In a key speech in May, Obama claimed that ‘after decades pressing for top-down reform, we need an agenda that advances democracy, security, and opportunity from the bottom up. That means measuring success not just through agreements among governments, but also through the hopes of the child in the *favelas* of Rio, the security for the policeman in Mexico, and the shrinking of the distance between Miami and Havana’.

Space does not permit a discussion of other ideas. An Obama Administration would certainly attempt a return to greater multilateralism, seeking to breathe renewed life in the Organisation of American States (OAS). Brazil would loom large as a courted partner. Finally, energy policy, climate change and the environment will likely receive top billing on the Hemispheric agenda of the Obama Administration.

The Latin American Policy of John McCain

John McCain, a decorated Navy pilot who spent seven years as a Prisoner of War in a North Vietnamese prison, entered the Senate in 1986. The 72-year old Republican Party candidate was born in the Panama Canal Zone, considered at the time US territory, and has visited Latin America on numerous occasions in the line of senatorial duty. As a Senator from Arizona, McCain has been intimately involved in a wide range of border-related issues and was a major proponent of the Comprehensive Immigration Reform Act of 2007 that failed to win congressional approval. McCain also spent 15 years as Chairman of the democracy-supporting International Republican Institute. In July, he visited Colombia and Mexico to demonstrate support for two key regional players.

McCain draws advice and support on policy issues from a smaller, less well-known body of colleagues than Obama. Randy Scheunemann, a former legislative aide and consultant, serves as his foreign policy coordinator and Robert Kagan, of the Carnegie Endowment for International Peace, worked extensively in the Department of State on Central American issues in the 1980s. Former diplomats such as Ambassador Otto Reich and a former AID official, Adolfo Franco, have also worked on Latin American issues. In the critical state of Florida, advice has reportedly been tendered by members of Congress from Miami, notably by the Cuban-Americans Ilena Ros-Lehtinen and Lincoln and Mario Diaz-Balart. Certainly, the McCain camp has access to the knowledge and experience of those who developed and executed President Bush’s policies in the Western Hemisphere.

At first blush, it appears the policy of a McCain presidency might represent considerable conceptual continuity with the regional policies of the Bush Administration. Nonetheless, McCain promises to ‘forge a new policy... founded on peace and security, shared prosperity, democracy and freedom, and mutual respect’.

An emphasis on free trade and market-led development, a tough stance on drugs and a focus on cementing and rewarding friendships with key countries like Brazil, Colombia and Mexico would serve as the foundations for the McCain policy. As a fighter and a security-minded President, McCain will likely feel challenged by Hugo Chávez, who would undoubtedly work to increase a sense of US-Venezuelan confrontation as a wedge between the US and Latin America, or by Daniel Ortega of Nicaragua, whose links with the Central American conflicts of the 1980s invite antagonism. McCain would worry about ungoverned spaces, fighting crime and stemming endemic corruption. The growing encroachment of Russia, Iran and other extra-hemispheric troublemakers in the region would also awaken historical security concerns about the protection of democracy and freedom in the Americas.

- **Cuba:** McCain promises not to ‘passively await the long-overdue demise of the Castro dictatorship’ and not to reward the Cuban communist regime for mere cosmetic economic changes. He proposes ‘an active dialogue with Hemispheric and European partners’ to promote democratic change in Cuba. As President, McCain would tend to preserve the fundamentals of Helms-Burton legislation regarding restrictions on Cuba trade and adhere to a strategy for a through democratic transition specified by the Commission for Assistance to a Free Cuba. McCain also proposes to energise support for dissident, pro-human rights, pro-democracy groups inside and outside of Cuba.
- **Colombia:** McCain sees the US as having made an enduring commitment to Colombia’s future and worries about what backing away from Colombia and the pending trade deal will do to Bogotá’s future trust of the US. He sees the current impasse as denying US producers an excellent opportunity to broaden market share in Colombia in exchange for trade benefits Colombia is currently receiving.
- **Mexico:** McCain supports Plan Mérida for combating drug cartels and calls for the creation of a prosperous Mexico. He promises to make immigration reform a cornerstone of the next Administration but must work to rebuild a comprehensive plan that addresses aspects as diverse as temporary work permits, employee verification, sanctions for workplace violations and the future legal status of an estimated 12 million illegal residents in the US.
- **Brazil:** McCain has recognised Brazil’s leadership role at the United Nations and its support for peacekeeping in Haiti. He sees Brazil and others as potential recruits for a ‘Global League of Democracy’. In the last presidential debate, McCain proposed repealing the 55 cent/gallon tax on Brazil’s sugar-based ethanol.
- **Trade:** McCain recognises the importance of export performance to the US economy and argues that export-led growth has a significant domestic payoff in terms of job creation and job quality. He promises more aggressive attention to creating export jobs and to developing trade-enhancing capacities within the US government, including the establishment of a trade export authority. McCain recognises trade as a tool and will use the White House to battle against a return to protectionist/mercantilist

strategies of the past. One area for further executive leadership under McCain would be to restart the Doha round of trade negotiations and adopting a tougher stance on trade-distorting US farm subsidies. He would most certainly provide continued follow-up with the Bush Administration's September initiative aimed at coordinating actions among trade partners known as 'Pathways to Prosperity' and has not abandoned the idea of a Free Trade of the Americas agreement.

20 January 2009: When Promises and Reality Converge

On 20 January 2009, either John McCain or Barack Obama will take the presidential oath of office and assume the vast, global responsibilities entailed by occupying the Oval Office. The US, Latin America and the world will face a new era, one that, for the first time in two decades, does not feature a Bush or a Clinton in the White House. Expectations will run high.

While Washington pundits and the development community will stress the deep structural challenges presented by poverty, inequality and ethnic divisions in the Americas, the Pentagon, the Central Intelligence Agency, the Department of Justice and Homeland Security will dust off policies and plans to deal with the gamut of threats from alien smuggling and drug trafficking to insurgency and terrorism.

The new President will have to make favourable contacts with dozens of leaders, from heavyweights like Brazil's Lula da Silva and Mexico's Calderón to Prime Ministers of small friendly nations such as Barbados and Uruguay. Indirectly via press statements and diplomatic manoeuvres, the new President will send signals to Hugo Chávez, Evo Morales, Daniel Ortega and the Castroite gerontocracy that rules Cuba. By January 21, the next President will be immersed in the hardball world of code-word security briefs and White House situation room meetings, where bad guys seldom sleep, where terrorists, criminals and insurgents exploit ungoverned space and the weakness of governments, where a 3am telephone call and crisis management situation might be just an incident away.

Either McCain or Obama will be expected to articulate a broader vision for the Hemisphere and set the tone for four years at the Summit of the Americas in Trinidad & Tobago in April 2009. This will give most of the leaders of the Hemisphere their first real look at the new President.

If Barack Obama is elected President he will more than likely command ample Democratic support in the House of Representatives and the Senate, whereas McCain will face an uphill struggle to accomplish a successful policy agenda and need to concentrate to re-forging bipartisan strategies.

An Obama victory also means a potential for an initial period of bureaucratic bloodletting and in-fighting that could cut deep into the current ranks of policy makers and immobilise the policy-making bureaucracy for months. Following through on ambitious promises of a 'new partnership' and 'bottom-up reform' will require broad reviews of existing policies and potential bureaucratic reorganisation as well as lengthy lead time to request resources for new initiatives and move them to legislation in Congress.

A danger facing an Obama presidency could be overselling the promise of change in US policy unsupported by fresh resources or genuine US commitments. As President, Obama will also have to avoid fragmentation and discipline dovish, protectionist, pacifist,

isolationist elements that flourish within the ranks of the Democratic Party. The challenge will be doing more than cosmetic rearrangements that leave Latin America questioning Washington's readiness to change policy that serves a broad spectrum of US interests from economic growth to security.

If McCain wins, his programmes will be easier to implement because they will be built on continuity and some serving officials will remain in place until suitable replacements are identified and confirmed. The challenge for McCain will be to show Latin Americans that he takes the region seriously and is ready to explore new lines of cooperation and partnership in accordance with changed geopolitical realities that go beyond the present Bush Administration.

Conclusion: An overriding need will be restoring the health of the international economic system as quickly as possible and keeping the US running as the central motor for Hemispheric growth and prosperity. These challenges will require addressing trade and energy issues as well as good governance, rule of law and poverty reduction. They will also require keeping vigilant eyes on Hemispheric security and on an array of difficult threats.

In the longer run, the coming US presidential election offers an opportunity for greater conceptual boldness in addressing the challenges of Latin America's urgent social agenda. There is still a hunger for the American brand and a large audience in the rising and aspiring social base that lies between traditional elites and a state-dependent poverty class and yearns for genuine democracy, good governance, sound institutions and rule of law. Either Presidents McCain or Obama will need to weave the successes (and the failures) of the Bush Administration into new policy initiatives that optimise opportunity and that combine new strategies of partnership with the reassertion of the US historic and productive leadership role in the Western Hemisphere.

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