

Houston Philosophical Society
Minutes of 619th Meeting, October 18th, 2007

CALL TO ORDER: 8:00 p.m.

President Newell Boyd called to order the 619th meeting of the Society in its 87th year. He introduced the speaker, former ambassador to Uruguay and international banker, Christopher Ashby. Ambassador Ashby graduated from the Georgetown University School of Foreign Service and attended the Sloan School at MIT and the Harvard Business School. His topic was “Our Forgotten Latin American Diplomatic Mission.”

Ambassador Ashby addressed three topics: (1) the geo-political situation; (2) economics and politics; and (3) the next administrations’ foreign policy towards Latin America.

He pointed out that Mexico, with its population of 100,000,000 people, directly affects the way we live in terms of immigration, health, gun control, and the like on a daily basis. Belize has a high quality of life, as it has since it was British Honduras. Guatemala, El Salvador, and Nicaragua are all controlled by left or right wing governments that are countered by left or right wing insurgents that either conquer or reach a power-sharing arrangement. In Nicaragua, Ortega lost and left office—the only time a communist government was ever voted out. Last year he won and is now the duly elected president. The country is poorly governed, but Ortega has so far acted responsibly. Only Honduras, among these Central American countries, has escaped civil war and has now had its sixth peaceful political change and is doing well. These countries are all poor but relatively stable. The exception is Costa Rica, whose development is due to its political resources and energy. It has been effective at attracting retirees because of its low taxes, low cost of living, and health care. The Panama Canal was created by the United States, for which we fomented a revolution. We kept the canal, but eventually returned it. The canal’s function is being expanded. Central America also includes four nation-states (Haiti, the Dominican Republic, Jamaica, and Trinidad and Tobago). There are also islands, such as St. Kitts, Grenada, and Barbados, with which the United States maintains a relationship but to which it does not send ambassadors.

In South America, Venezuela and Columbia were the most progressive and richest countries in the 1950’s and 1960’s. Ethnically the most like Texas,

Columbia became the center of the illicit drug trade, which it still is, and embarked on a 30-year civil war financed by drugs. In Venezuela, Hugo Chavez won election as president with 76% in the hope that he would correct corruption, only to prove corrupt himself. He has won every election since and is supported by the people. He has been an antagonist to the United States. He has not, however, generated support from other leaders and is not succeeding. Venezuela is going to become a poor nation. Only television accounts for Chavez's staying power.

Ecuador always follows its Constitution, even when throwing out its president, of which it has had many. President Rafael Correo is trying to keep a greater percentage of oil revenues. While there have been severe problems with legislation, he was democratically elected and is acting in a democratic way.

In Peru, President Fujimori was elected to turn the military against the Shining Path guerillas, which he did successfully. However, he determined to do anything to stay in power and was ultimately kicked out. Peru is coming together. Last year it elected a new president, and it is about to become investment grade.

Chile is the South American country that is most like the United States, with a long history of democracy. It realized its economy depended on agricultural exports to the United States. It currently has a vibrant economy.

Argentina is the only country in South America that has moved from the first world to the third. It had a higher standard of living in 1920 than Italy and France. However, by 1990, it had 5000% inflation. It defaulted on its debts, and, while it has recuperated, it remains a country with extraordinary ability, but no formula for success.

Uruguay enjoys the same literacy as the United States. All speak the same language because all went to the same schools. It was the only country in Latin America with a net inflow of funds during the peso crisis. Paraguay, by contrast, is dysfunctional and one of the poorest countries in the world. Bolivia is, however, even worse off, as the poorest country in South American with the worst income distribution, even though it is rich in gold, silver, lead, and gas. Morales is dealing with long-term problems.

Brazil is becoming a major player on the world stage through ethanol and soybeans. It has the largest GDP in South America, but great income disparity. The trade between Latin America and China reached \$50 billion in 2005, growing at an annual rate of 47%, with Brazil probably accounting for 80% of that. China is the second largest trading partner of Brazil and Peru and is investing more in Latin America than anyone else.

The bottom line is that the Latin American countries are becoming responsible, and all but a couple are doing the right thing, but not without difficulty marked by corruption and incompetence.

The goal of foreign policy is to make our citizens better off. Ambassador Ashby's hope, therefore, is that the new foreign policy will be the one pronounced by George Bush prior to 9/11. He would advise the new President to talk, listen, be respectful, and avoid compartmentalizing; to ask *them* what they want to be done; and to ask how they can be useful to our broad objectives. If we treat them as natural allies, they will be. Immigration is an important to Mexicans as it is to us. They suffer from crime and weapons too. We should divorce illegal immigration from terrorism. When we combine these issues we insult the other side and reduce cooperation.

Ambassador Ashby hopes the basis for foreign policy in the new administration will be the understanding that Latin Americans have to solve their own problems and we have to help.

Following questions, the meeting was adjourned at approximately 9:20 p.m.

Submitted,

Evelyn Keyes
Recording Secretary