

STATEMENT OF SENATOR DOLE

CARIBBEAN BASIN INITIATIVE HEARINGS

I WISH TO NOTE THAT NOT ALL OF THE WITNESSES WE ORIGINALLY SCHEDULED COULD BE HERE TODAY. WE DO EXPECT TO HOLD A SECOND DAY OF HEARINGS FOR THEM.

THE ESSENTIAL U.S. INTEREST IN THE CARIBBEAN

THE MESSAGE YOU BRING TODAY MARKS AN IMPORTANT NEW CHAPTER IN U.S. RELATIONS WITH OUR SOUTHERN NEIGHBORS. IT IS PERHAPS IN IMPORTANCE EQUAL TO ANOTHER PRESIDENTIAL MESSAGE ON THE SUBJECT PRONOUNCED LONG AGO. IN DECEMBER OF 1823, PRESIDENT MONROE SENT A MESSAGE TO THE CONGRESS DECLARING THAT THE UNITED STATES WOULD VIEW AS A THREAT TO ITS OWN SECURITY ANY ATTEMPT FURTHER TO IMPOSE EUROPEAN POLITICAL SYSTEMS OR SOVEREIGNTY UPON THE REPUBLICS OF THE AMERICAN CONTINENTS. THE CORE IDEA OF THE MONROE DOCTRINE--THAT THE NEW LANDS OF THIS HEMISPHERE MUST REMAIN FREE FROM OUTSIDE INTERVENTION IN ORDER TO PURSUE THEIR OWN DESTINIES IN PEACE--TODAY ENDURES MORE VITALLY THAN EVER. BUT THE NATURE OF THE THREATS, ENEMIES, AND SOLUTIONS HAVE CHANGED MARKEDLY IN 160 YEARS.

THE BENEFICIARY NATIONS OF THE CBI ARE WIDELY DIVERGENT IN CULTURES, HISTORIES, LANGUAGES, ECONOMIES, AND GOVERNMENTS. BUT THEY SHARE SOME COMMON CHARACTERISTICS: MOST ARE FAILING

ECONOMICALLY; THEY ARE INCREASINGLY ORIENTED ECONOMICALLY, POLITICALLY, AND SOCIALLY TO THE UNITED STATES;--AND TOGETHER THEY FORM OUR SOUTHERN BORDER. TOO LONG HAS THIS COUNTRY FAILED ADEQUATELY TO COMPREHEND OUR NATIONAL INTERESTS IN THIS INTEGRATED REGION, AND TO TAKE FULL ADVANTAGE OF THE MUTUAL OPPORTUNITIES GREATER COOPERATION OFFERS. THESE INTERESTS ARE PROFOUNDLY IMPORTANT.

IN A REGION SUFFERING A HISTORY OF CONFLICT, THE 15 RECENTLY EMERGENT NATIONS OF THE CARIBBEAN BASIN OFFER IN THEIR NASCENT STATES A TEMPTING TARGET FOR SOVIET TROUBLEMAKING. THE ANNOUNCEMENT LAST WEDNESDAY OF THE SOVIET AID PACKAGE TO GRENADA, THE EXPRESS PURPOSE OF WHICH IS TO ABROGATE THE HISTORIC WESTERN TIES OF THAT ISLAND NATION, PROVIDES A TIMELY EXAMPLE OF A REAL CONCERN FOR OUR BORDERS, OUR SEA LANES, AND THE PANAMA CANAL.

THE UNITED STATES HAS GREAT ECONOMIC TIES TO THE REGION. DESPITE THEIR COLONIAL PAST, THE CBI COUNTRIES IMPORT MORE FROM THE UNITED STATES THAN ANY OTHER COUNTRY. LAST YEAR THIS AMOUNTED TO OVER \$6 BILLION--DOUBLE WHAT WE IMPORTED FROM THEM, EXCLUDING PETROLEUM. U.S. DIRECT INVESTMENT REACHED NEARLY \$10 BILLION IN 1981. WE IMPORT OVER 90 PERCENT OF OUR INDUSTRIAL REQUIREMENTS OF BAUXITE AND ALUMINA FROM THE CARIBBEAN COUNTRIES, AND RELY ON THEM TO A SIGNIFICANT DEGREE FOR NICKEL. IT SEEMS CLEAR THAT THE REGION OFFERS A VAST NEW MARKET FOR AMERICAN PRODUCTS, IF ONLY GREATER ECONOMIC AND POLITICAL STABILITY CAN BE BROUGHT ABOUT THERE.

BESIDES ECONOMIC AND SECURITY INTERESTS, THE UNITED STATES IS BOUND BY AN INCREASING WEB OF SOCIAL TIES WITH THE CARIBBEAN BASIN COUNTRIES. SOME ESTIMATE THAT, EXCLUDING MEXICANS, OVER 250,000 ILLEGAL IMMIGRANTS NOW ENTER THE UNITED

STATES YEARLY FROM THE COUNTRIES OF THE CARIBBEAN SEA AND CENTRAL AMERICA. THEIR DESPERATE DESIRE TO SEEK POLITICAL OR ECONOMIC EMANCIPATION IN THIS COUNTRY IS PERHAPS MATCHED ONLY IN MAGNITUDE BY THE STRAIN ON THE SERVICES OUR NATIONAL AND STATE GOVERNMENTS PROVIDE THEM ONCE THEY ARE HERE. I NOTE THAT FOR THE ENTIRE REGION IN FY 1982 THE UNITED STATES TARGETED ABOUT \$475 MILLION IN DEVELOPMENTAL AID; THE FEDERAL GOVERNMENT AND THE STATE OF FLORIDA HAVE SPENT OVER TWICE THAT ON CUBAN AND HAITIAN REFUGEES SINCE THE MARIEL BOATLIFT.

THE ABILITY OF THE UNITED STATES TO EXPLOIT THESE INCREASINGLY STRONG TIES TO THE CARIBBEAN BASIN COUNTRIES RESTS ON THEIR OWN STABILITY. AS THE NATIONS OF CENTRAL AMERICA STRUGGLE TO END ARMED CONFLICT AMONG THEMSELVES AND WITH COMMUNIST GUERILLAS, AS THE CARIBBEAN NATIONS ATTEMPT TO RESTRUCTURE THEIR ECONOMIES AWAY FROM CENTURIES OF DEPENDENCY ON TRANSFERS FROM THEIR FORMER COLONIAL SOVEREIGNS, AN HISTORIC OPPORTUNITY PRESENTS ITSELF TO THE UNITED STATES TO AID IN PLACING THEM ON A FIRM, PERMANENT PATH TO GROWTH AND STABILITY. THE PRESIDENT'S CARIBBEAN BASIN INITIATIVE EMBODIES A SOUND PLAN TO THAT END.

THE CARIBBEAN BASIN INITIATIVE: A SOUND DEVELOPMENT PLAN

THE CBI COMPRISES TRADE, AID, AND INVESTMENT INCENTIVES IN AN INTEGRATED PLAN TO FOSTER MARKET-ORIENTED GROWTH AMONG THE BENEFICIARY NATIONS. I AM ESPECIALLY PLEASED TO NOTE THAT THE PLAN IS NOT ONLY INTEGRATED IN ITS U.S. CONTRIBUTION, BUT ALSO IN INTERNATIONAL PARTICIPATION--CANADA, MEXICO, VENEZUELA, AND COLUMBIA ALL WILL CHIP IN TO ASSIST THEIR NEIGHBORS IN GETTING TO THEIR FEET. THE MARKET OPPORTUNITIES CREATED BY THE TRADE AND TAX INCENTIVES, TOGETHER WITH THE AID NECESARY TO RESTRUCTURE

DEBT AND BUILD ESSENTIAL INFRASTRUCTURE, CONSTITUTE AN UNPARALLELED OPPORTUNITY FOR SELF-HELP AND PERMANENT IMPROVEMENT.

ANY BOLD PLAN SUCH AS THE CBI STRIKES ACROSS NEW GROUND THAT MUST BE CAREFULLY SURVEYED BEFORE PROCEEDING. I WILL LISTEN ESPECIALLY CLOSELY TO TESTIMONY ON THE EFFECTS OF THE ONE-WAY FREE TRADE AREA ON IMPORT-SENSITIVE U.S. INDUSTRIES. I UNDERSTAND THAT BUT A VERY SMALL PERCENTAGE OF CURRENT U.S. IMPORTS IN THESE ARTICLES ORIGINATE IN CBI COUNTRIES. YET, U.S. INDUSTRIES MAY HAVE LEGITIMATE CAUSE FOR CONCERN IN SOME CASES WITH THE REGION'S POTENTIAL, SO WE WILL WANT TO ENSURE THAT ADEQUATE ATTENTION HAS BEEN GIVEN TO SAFEGUARD THEIR INTERESTS.

IN THE AREA OF TAX POLICY, TOO, THE CBI RAISES NEW AND DIFFICULT ISSUES. THE EXTENSION OF THE INVESTMENT TAX CREDIT FOR OVERSEAS DEVELOPMENT MAY BE JUSTIFIED FOR A LIMITED TIME BY THE TREMENDOUS NEED EVINCED IN THESE CIRCUMSTANCES, BUT WE WILL WANT TO SAFEGUARD CAREFULLY AGAINST ITS ABUSE. FURTHER, ONE MAY FAIRLY QUESTION WHETHER A CAPITAL-INTENSIVE DEVELOPMENT TOOL IS THE BEST ONE TO OFFER TO REGIONS OF HIGH AND ENDEMIC UNEMPLOYMENT. I KNOW THE TREASURY REVIEWED MANY ALTERNATIVES, AND I LOOK FORWARD TODAY TO HEARING WHY THEY CHOSE THE ITC AS THE BEST INCENTIVE.

THE CBI--A PLAN OF LIBERTY

IN NOTING THE LARGE NUMBERS OF IMMIGRANTS FROM THE CARIBBEAN COUNTRIES, I RECALL THE WORDS ENSHRINED ON THE STATUE OF LIBERTY THAT WE HAVE LONG PROCLAIMED TO THE WORLD:

GIVE ME YOUR TIRED, YOUR POOR
YOUR HUDDLED MASSES YEARNING TO BREATHE FREE
THE WRETCHED REFUSE OF YOUR TEEMING SHORE.
SEND THESE, THE HOMELESS, TEMPEST-TOST TO ME,

I LIFT MY LAMP BESIDE THE GOLDEN DOOR.

SOME WONDER IF THIS LONG-STANDING OFFER IS NOW TOO GENEROUS! BUT WE HAVE BEEN IMMEASURABLY ENRICHED AS A NATION FOR IT. WE ARE PROUD TO CONTINUE TO BE THE BEACON OF LIBERTY FOR THE WORLD.

THE PEOPLES OF THE CARIBBEAN, HOWEVER, DO NOT WANT TO LEAVE THEIR HOMELANDS TO FIND THAT LIBERTY. THEY KNOW THAT-- GIVEN THE OPPORTUNITY-- THEIR INDIGENOUS SKILLS, INDUSTRY, AND ENTREPRENEURIAL TALENTS PROVIDE THE BASIS FOR CREATING HAVENS OF PEACE AND PROSPERITY AT HOME. THE INTEGRATED, MARKET-ORIENTED PLAN OF THE PRESIDENT WILL PROVIDE THE MILIEU IN WHICH THEIR TALENTS WILL THRIVE.

I HOPE THAT WE CAN FIND A WAY TO RESOLVE ANY DIFFICULTIES IN THE MANNER PROPOSED TO IMPLEMENT THE CBI, SO THAT WE CAN SOON EMBARK WITH THESE COUNTRIES ON A NEW ERA OF JOINT GROWTH, PROSPERITY, AND PEACE. THE CARIBBEAN BASIN INITIATIVE CAN BE THE NEW LAMP OF LIBERTY BY WHICH WE LEAD THEM IN FULFILLING THIS HIGH PURPOSE.

THANK YOU.