

1984

Islands, Trade and the U.S.: Introduction

Recommended Citation

Islands, Trade and the U.S.: Introduction, 18 INT'L L. 561 (1984)

<https://scholar.smu.edu/til/vol18/iss3/8>

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SYMPOSIUM

ISLANDS, TRADE AND THE U.S.

Introduction

Editor's Note: This symposium reflects a growing awareness that islands of the Caribbean and Pacific can make a substantial contribution to United States military, political and economic stability. With this increased awareness comes new U.S. initiatives seeking to create a mutually beneficial interdependence.

While analyzing the Caribbean Basin Economic Recovery Act (Caribbean Basin Initiative), Mr. Zagaris makes a conscious effort to avoid the ideology and policy behind the CBI and focuses on the practical aspects of applying it. Yet it is obvious from the legislation that the United States is seeking to stimulate the Central American and Caribbean economies by encouraging importation of their products. The CBI benefits, coupled with complementary domestic legislation found in some Caribbean states, encourage not only importation of Caribbean Basin products but also induce U.S. businesses to locate facilities in the Caribbean.

In his article on the Compact of Free Association, Mr. Hills addresses a situation unprecedented for the United States—a trusteeship advancing towards the status of independent sovereign. The Compact provides for the Micronesian states to conduct their own internal and external affairs, subject to United States control of security and defense matters. Mr. Hills primarily focuses on the constitutional and international law issues involved in obtaining congressional approval of the Compact, which would provide economic aid totalling \$2.5 billion over the next 15 years. Like CBI, the Compact also provides trade and tax provisions designed to encourage foreign investment. These provisions are designed to bolster the economies of the developing islands and increase the U.S. Market for goods produced there.

