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78th Annual Meeting of U.S. Chamber of Commerce 4/30/90 [OA 4729][1]

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 30, 1990

REMARKS BY THE PRESIDENT
AT THE 78TH ANNUAL MEETING OF THE
U.S. CHAMBER OF COMMERCE

Constitution Hall
Washington, D.C.

10:12 A.M. EDT

THE PRESIDENT: Thank you very, very much, John. And what do you think about that Marine Corps Band, led by Colonel Bourgeois? Aren't they first class? (Applause.) Thank you, ladies and gentlemen, very much.

And it's always a pleasure to meet with this high-powered group. I want to pay my respects once again to Dick Leshner, the President of the Chamber; to salute your outgoing Chairman John Clendenin for the leadership that he's shown and the sacrifice that he's given over the past year; and then to salute your incoming Chairman James Baker -- not a Cabinet shake-up. (Laughter.) I'm talking about James K. Baker who will carry the Chamber's fine tradition forward into this new decade.

And finally, let me welcome our special guests -- all these Washington-area schoolchildren, right here in front. (Applause.) I know that you all have been looking forward to today for a long time. And after all, it's not every day that you get out of math and spelling. (Laughter.) And I know it won't be easy to understand all the things we're talking about this morning. But there's one thing that I'm sure you can understand. You're here because you're important, because when you grow up you might just run your own business, like the people here. Or maybe you'll even run for President of the United States. It may be hard to believe, but I was once a second-grader, just like you are now. (Laughter.) So today I want to challenge all of you to keep working hard in school. Do your very best and don't be afraid to reach for your dreams.

And I want to challenge the Chamber of Commerce as well. That's all the rest of you who are past the second grade out there. (Laughter.) All of you know that the governors and I have agreed on a set of national education goals -- goals we must meet by the year 2000 -- the year these second-graders here graduate. And I'm delighted at all the Chamber of Commerce is doing to advance this great cause of excellence in education. But today I challenge you to get involved in every school and community across America. Help us make that classroom a place where miracles happen.

And before I go any further, I want to thank the Chamber for its support on an issue essential to our nation's economic future. Last week, I sent to the Congress a three-point plan for budget reform. One, supporting the Legislative Line-Item Veto Act. (Applause.) Two, proposing an amendment to the Constitution to provide a presidential line-item veto. And three, a balanced budget amendment. (Applause.) The Chamber, together with other organizations in the Coalition for Fiscal Responsibility, has been out there on the front lines of the battle for budget reform. And I ask you now to push hard for this three-point plan. The time has come to put our fiscal house in order.

And let me say a few words about my administration's

MORE

trade strategy. First, success in the Uruguay round trade talks is my top trade priority. The GATT needs strengthening. It doesn't cover services, investment or intellectual property rights. Its rules on agricultural trade are far too weak, creating counterproductive pressures to subsidize farm exports. And we've got to strengthen GATT as a matter of principle -- as a sign to the emerging democracies in Eastern Europe and in this hemisphere that free trade is the way of the future. (Applause.)

Second, let me just say a word about Japan. All of you know that I did not name Japan a priority country under the Super 301 provisions of the 1988 Trade Act. That does not mean that all of our problems with Japan have disappeared. We know that we could sell more American products if Japan's market were truly open. But we've been working hard on that and I think with impressive results.

Over the past few months, we've made more progress on trade issues with Japan than at any other time I can recall. And part of the reason for this -- for this success, if you will, is that the Prime Minister, Prime Minister Kaifu of Japan, shares our commitment to ensuring that trade strengthens rather than undermines the friendship between our nations. Now, we are going to continue to press for progress. And keep in mind, Section 301 and other trade law authorities remain available to the President. And we will use all the tools at our disposal to open markets and ensure fair treatment for American products, services, American investments and ideas. I'm confident in Carla Hills, our very able and tenacious Trade Representative. I'm confident in her ability and I'm confident we will achieve lasting results.

John Clendenin mentioned in his speech the whirlwind of the changes we've seen this past year. And last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system; It was the death of economics. And that much was clear. What none of us could have seen on the eve of May Day 1989 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the state and embraced democracy. And here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the decade of democracy. (Applause.) These transforming events brought freedom to tens of millions of people. And with that freedom, new challenges digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time has come to make a start in the difficult work of democracy-building.

It's that challenge that I want to talk to you about today, and it's a challenge that can engage every single one of you -- because you and the institutions you represent are proof of the power of the private sector. Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector, in all its diversity, in the business of building democracy. That's not to say that there's no work for government to do. Government-to-government aid is essential, especially in the first days of democracy when the institutions of free government are most fragile.

That's why we put together aid packages for Poland and Hungary. And that's why I continue to urge Congress to move our Nicaragua and Panama emergency aid legislation to final passage as soon as possible. It is embarrassing. Today, I meet with President Endara of Panama. I've asked the Senate and the House to move on that legislation over a month ago, and they haven't done it. I call on them again today to take action in the Senate so we can help those fledgling democracies in Panama and Nicaragua. (Applause.)

MORE

It is frustrating to see the Congress delaying its work. Here's the facts. On this legislation, I called for aid on March 13th, to be exact, and ask that it be passed by April 5th. In the House, \$800 million -- \$800 million in domestic discretionary spending was added. The Senate added another half a billion dollars and, in committee, tacked on a contentious abortion provision. No wonder the American people get so frustrated with the way the Congress operates. (Applause.) Nicaragua and Panama quite simply need this aid. We've got to deliver and we've got to show that when democracy is at stake, America always extends a helping hand.

But as I've said many times, government aid alone is simply not the answer. It's more than a matter of finding enough funds; it's a matter of principle -- of what we mean when we talk about building democracy. The simple truth is this: Democracy and the freedoms it enshrines can never be a gift of government.

Earlier this year in the State of the Union, I talked about the cornerstones of free society, the building blocks of democracy -- all these elements that make America what it is. Competition, opportunity, stewardship, private investment. Those building blocks are what make America work. More than that, they're what makes democracy work. They're what the newly-emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper.

Think back to what Lech Walesa said last November when he spoke to the AFL-CIO. Picture it. Solidarity labor leader speaking before our great AFL-CIO about the needs of the new Poland. Here is the quote: "Such is the fate of a Polish trade unionist," he said, "that he has to launch a publicity campaign for private entrepreneurship."

Lech Walesa told the Congress that he hadn't come to ask for charity as we know -- that we can't create democracy by writing a check. We build democracy in other nations not by taking responsibility for their needs, but by helping them take responsibility for themselves.

We build democracy whenever we help individuals take their destiny into their own hands. Democracy puts the focus not on government, but on the freedom of the individual; not on the state, but on society, the private sector. Democracy thrives in direct proportion to the flowering of individual freedom and free enterprise. (Applause.)

Our administration is doing all it can to promote private sector development. The Commerce Department, under Bob Mosbacher's able leadership, has opened its Eastern Europe Business Information Center, and with the Chamber has hosted a conference on doing business in Eastern Europe.

Carla Hills, our able Ambassador, and her USTR team have been negotiating with the emerging democracies to open the way for expanded trade. At Labor, we've got a great Secretary of Labor -- Elizabeth Dole. She's directing programs assisting Poland on key issues such as job training and unemployment insurance.

At Agriculture, most of you know Secretary Clayton Yeutter. He's doing a fine job. He's led this effort, our effort, to provide food aid and free market expertise to spearhead agricultural reform.

Today, I want to turn the spotlight on one of the best-kept secrets in town -- an agency called OPIC -- the Overseas Private Investment Corporation. OPIC's programs have been around since the days of the Marshall Plan, providing loans and risk insurance to American companies expanding into markets across the developing world. Here's a fact I know this crowd in particular will appreciate. OPIC is one government agency that actually turns a profit. (Applause.) Today especially OPIC is an important tool in

our overall approach to help the world's emerging democracies sustain themselves.

But we've got to be realistic. Economic growth won't come overnight. Eastern Europe sustained four decades of economic decay. And here in our own hemisphere, years of dictatorship in Nicaragua drove its economy right into the ground, destroyed the basic commercial infrastructure that makes growth possible. But with the emergence of democracy, these nations are working around the clock to jump-start their stalled economies, to make the fundamental changes needed to create a functioning free market. For democracy's sake, we've got to do all we can to help this transition take place.

Let me tell you what OPIC then is doing to strengthen the free market foundations of democracy in Panama. Just 60 days after Operation Just Cause OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that seven-day mission should lead to the direct investment of more than \$70 million in Panama and 400 new jobs.

Now, here's the story of one company that took part in that OPIC mission -- Servrite International -- a small dairy company based in New Haven, Connecticut. Servrite had plans to invest in Panama, plans that it abandoned because of the old regime. Now, with the return of democracy, Servrite is moving forward, building a modern milk processing plant in the rural province of Chiriqui. The project will create 50 new jobs and provide technical assistance to help 30 Panamanian dairy farmers get their milk to market. For Servrite this is a good business opportunity. But for the Panamanians involved, it's more than just a pay check; it's a chance to build a future.

We're looking then to create the same kind of opportunity for investment in Nicaragua and, of course, beyond our own hemisphere, in Eastern Europe. As we speak OPIC's president, my good friend, Fred Zeder, a successful businessman in his own right, is leading a mission to Hungary and Poland, playing matchmaker to 43 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150-million deal between G.E. -- General Electric -- and Hungary's largest electric enterprise, Tungsram. What you may not know is OPIC's leading role in making that investment possible. That's just a fraction of the interest generated so far. Already OPIC has received requests representing more than \$2 billion worth of American investment in Hungary and Poland alone. For the potential for growth and the dividend for democracy are both great.

You may have heard about some of Japan's new joint ventures in Eastern Europe. Suzuki's plan to build cars in Hungary, or Daihatsu's deal to do the same in Poland. There's nothing unfair about these ventures, just proof that one of our key competitors is engaged in a hardnosed hunt for good opportunities in a new market. And I've said it before and I'll say it now, American business can out-think, out-work, out-perform any nation in the world. But we can't beat the competition if we don't get in the ball game. (Applause.) And if American business wants to keep ahead of the competition, the time to act is now.

Government must act, too -- to help energize the private sector. And today I'm announcing a new initiative under OPIC's auspices to establish an Eastern European growth fund; a magnet for the kind of investment capital that can create self-sustaining growth and responsible development. This fund will be privately managed, underwritten in part by OPIC, and backed by its political risk insurance within existing budget authorities. And when fully capitalized at \$200 million, this fund will provide a significant source of new capital for promising economic ventures.

I know the Chamber is already involved in expanding free

MORE

market forces. I've heard about your newly-created Eastern European Trade and Technical Assistance Center, and about the new American Chamber of Commerce in Budapest. You are helping millions of people realize their dream of democracy.

It will be a tremendous struggle, measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary, and what I've learned in my conversations with the new leaders of Nicaragua and Panama is that all the years of despotic rule have not crushed the human spirit. These people are determined, full of hope and dreams. And now they're free. And if our American example teaches anything, it teaches that freedom is the world's most powerful force.

It's been a great privilege to speak to all of you today. Thank you, and may God bless these little kids. And may God bless the United States of America. Thank you all very, very much. (Applause.)

*-END

10:35 A.M. EDT

NATIONAL SECURITY COUNCIL

April 26

To: Chris Winston
From: Peter Redman

FYI.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/25/90

ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 AM 4/26/90

SUBJECT: PRESIDENTIAL REMARKS: US CHAMBER OF COMMERCE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN 	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>Rogers</u>	☒	☐
CICCONI	☐	☒	<u>Winston</u>	☐	☒
DEMAREST	☒	☐	<u>Pinkerton</u>	☒	☐
FITZWATER	☐	☒	<u>Boskin</u>	☒	☐
GRAY	☒	☐	<u>Deland</u>	☒	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide your comments/recommendations directly to Chriss Winston's office with a copy to my office by 10:00 AM THURSDAY, APRIL 26, 1990. Thank you.

RESPONSE:

See comments

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

PRESIDENTIAL REMARKS: U.S. CHAMBER OF COMMERCE
CONSTITUTION HALL
APRIL 30, 1990
9:00 A.M.

Thank you. It's always a pleasure to meet with this high-powered group. I want to acknowledge outgoing Chairman of the Chamber, John Clendenin, for the leadership he's shown this past year. / Incoming Chairman James Baker -- and no, it's not a Cabinet shake-up: I'm talking about James K. Baker -- who will carry the Chamber's fine tradition forward into this new decade. / Let me say hello to Dick Leshner, President [[-- I'm tempted to say President for Life --]] of the Chamber of Commerce. //

And finally, let me welcome our special guests -- the schoolchildren here today from all around the Washington area, right here in front. I know you've been looking forward to today for a long time. // After all, it's not every day you get to get out of math and spelling. //

I know it isn't easy to understand all the things we're talking about this morning. But there is one thing I'm sure you can understand. **You're here because you are important** -- because when you grow up, you might just run your own business, like the people here. Or maybe you'll even run for President -- and believe it or not, I was once 7 years old, just like you are now. // So today I want to challenge all of you: keep working hard in school. Do your very best. // And I want to challenge

the Chamber of Commerce as well. Keep up your crusade for excellence in education. Help us make that classroom **a place where miracles happen.** ///

John Clendenin mentioned a few moments ago the whirlwind of change we've seen this past year. Last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system -- it was the death of economics.

That much was clear. What none of us could see on the eve of May Day '89 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the State, and embraced democracy. Here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the ^{decade} triumph of democracy. //

These transforming events brought freedom to tens of millions of people. And with that freedom, new challenges. Digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time had come to make a start in the difficult work of democracy-building.

It's that challenge that I want to talk about today. And it's a challenge that can engage every one of you -- because you and the institutions you represent are **proof of the power of the**

private sector. // Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector - - in all its diversity -- in the business of building democracy.

That's not to say that there is no work for government to do. Government-to-government aid is essential -- especially in the first days of democracy, when the institutions of free government are most fragile. / That's why I continue to urge Congress to pass our emergency aid to Nicaragua and Panama -- and that's why we've already put together aid packages for Poland and Hungary. When democracy's at stake, America always extends a hand. //

But as I've said many times, government aid alone is not the answer. / It's more than a matter of finding enough funds. It's a matter of principle -- of what we mean when we talk about building democracy.

The simple truth is this: Democracy -- and the freedoms it enshrines -- can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society -- the building blocks of democracy. All the elements that make America what it is: Competition. Opportunity. Stewardship. Private investment.

Those building blocks are what make America work. More than that -- they're what make democracy work.

And they're what the newly emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper. Think back to what Lech Walesa said last November, when he spoke to the AFL-CIO about the needs of the new Poland. "Such is the fate of a Polish trade unionist," he said, that "he has to launch a **publicity campaign for private entrepreneurship**."

Lech Walesa told the Congress he hadn't come to ask for charity. He knew -- as we know -- that **we can't create democracy by writing a check**. We build democracy in other nations **not** by taking responsibility for their needs -- but by helping them take responsibility **for themselves**. We build democracy whenever we help individuals take their destiny in their own hands.

Democracy puts the focus **not on government** -- but on the **freedom of the individual**. Not on the **State**, but on **society** -- the private sector. **Democracy thrives in direct proportion to the flowering of individual freedom and free enterprise**.

And my Administration is doing all it can to promote private sector development. The **Commerce Department** -- under Bob Mosbacher's leadership -- has opened its Eastern Europe Business Information Center, and has just hosted, with the Chamber, a conference on doing business in Eastern Europe. Carla Hills and her **USTR** team have been negotiating with the emerging democracies to open the way for expanded trade. And at Agriculture, Clayton Yeutter has led our effort to provide food aid -- and free market expertise to spearhead agricultural reforms.

But today, I want to turn the spotlight on one of the best-kept secrets in town: an agency called OPIC -- the Overseas Private Investment Corporation.

OPIC's been around since the days of the Marshall Plan. And here's a fact I know this crowd will appreciate: OPIC is one government agency that actually turns a profit. // Today, after years of being overlooked, OPIC is coming into its own -- as an ^{important} ~~key~~ tool in our overall approach to help the world's emerging democracies sustain themselves.

✓
Dr. Saeed
4/7/70

We've got to be realistic. Economic growth won't come overnight. The emerging democracies of Eastern Europe have sustained four decades of economic decay. Here in our own hemisphere, years of dictatorship in Nicaragua and Panama have all but driven those economies into the ground -- and destroyed the basic commercial infrastructure that makes growth possible.

But with the emergence of democracy, fundamental changes are taking place. These nations are working round the clock to **jump-start their stalled economies** -- to create conditions for a functioning free market. And for democracy's sake -- we've got to do all we can to help this transition take place.

Let me tell you what OPIC's doing to strengthen the free market foundations of democracy in Panama. One month after Operation Just Cause, OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that 7-day

mission should lead to the direct investment of more than \$70 million dollars in Panama, and 400 new jobs.

Here's the story of one American businessman who went on that mission. A small businessman -- a shrimp farmer from Coral Gables, Florida -- named Joe Thaggard. During the days of the old regime, he struggled to keep alive a small shrimp farm in Panama. Now with the return of democracy, Joe saw a risk worth taking -- and so did OPIC. In three months' time, he has more than doubled his workers -- and now has more than 100 Panamanians on payroll. / Joe Thaggard's making the most of a good business opportunity -- and he's helping provide the people who work for him in Panama, and their families, more than just a paycheck. He's providing them a chance to build a future. //

We're looking to create the same kind of opportunities for investment in Nicaragua, where an OPIC mission is planned for early June. / And of course, beyond our own hemisphere, there is a need for this kind of private investment in Eastern Europe. // As we speak, OPIC's President, my good friend Fred Zeder, is leading an investment mission to Hungary and Poland --playing matchmaker to 30 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150 million dollar deal between General Electric and Hungary's largest electric enterprise, Tungsram -- what you may not know is OPIC's leading role in making that investment possible. {And that's just a fraction of the interest generated so far: already, OPIC has received

requests representing more than \$2 billion dollars worth of private sector investment in Hungary and Poland alone.}

The potential for growth -- and the dividends for democracy -- are both great. //

You may have heard about some of Japan's new joint ventures in Eastern Europe -- Suzuki's plan to build cars in Hungary, or Daihatsu's deal to do the same in Poland. // There's nothing **unfair** about these ventures -- just proof that one of our key competitors is engaged in a hard-nosed hunt for good opportunities in a new market.

I've said it before and I'll say it now: American business can out-think, out-work, and out-perform any nation in the world. **But we can't beat the competition if we don't get in the game.** // If American business wants to keep ahead of the competition, the time to act is now. //

Government must act too -- to help energize the private sector. // Today, I'm announcing today ^{two initiatives} ~~the formation~~ -- under ^{to establish} ~~of~~ two growth funds. Magnets for the kind of investment capital that can create growth and responsible development in these new democracies I've been talking about, and around the world.

First, the Eastern Europe Growth Fund. Privately managed - ^{underwritten} ~~capitalized~~ in part by OPIC, and backed by its political risk insurance. With a ^{projected} ~~total~~ capitalization of \$200 million dollars, this fund can channel American investment dollars into Eastern Europe's most promising economic ventures.

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4770

*DuSault
x 4770*

~~Second, I want to announce the creation of the Environmental Investment Fund -- backed by the ^{also would be} ~~same~~ OPIC guarantees. This \$100 million dollar fund will help finance enterprises in developing nations that fight pollution, or contribute to the sustainable use of natural resources. The United States and the nations of the world share a responsibility for the environmental health of the planet. // We've got to challenge ourselves to keep alive that concern and commitment we saw so clearly on Earth Day -- every day.~~

I know many of you are already involved in the economies of the countries I've been speaking about. John Clendenin mentioned your newly-created East European Trade and Technical Assistance Center -- and I also know the Chamber of Commerce just opened its newest international office in Budapest.

You are making history -- helping millions of people realize their dream of democracy. It will be a tremendous struggle -- a struggle measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary -- and what I've learned in my conversations with the new leaders of Nicaragua and Panama -- is that all the years of despotic rule **have not crushed the human spirit.**

These people are determined -- full of hope and dreams. And now -- they're **free**.

And if our American example teaches anything -- it teaches that **freedom** is the world's most powerful force. ///

It's been a privilege to speak to all of you today. Thank you -- and may God bless the United States of America.

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	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>Rogers</u>	☒	☐
CICCONI	☐	☒	<u>Winston</u>	☐	☒
DEMAREST	☒	☐	<u>Pinkerton</u>	☒	☐
FITZWATER	☐	☒	<u>Boskin</u>	☒	☐
GRAY	☒	☐	<u>DeLand</u>	☒	☐
HAGIN	☐	☐		☐	☐

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RESPONSE:

Please see suggestions, pp. 3, 4.

4/26/90 25:11A 92 MAR 26

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

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APRIL 30, 1990
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HOUSE already passed -
SENATE may act today -
We want to push for final passage ASAP

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BOLD

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OPIC's been around since the days of the Marshall Plan. And here's a fact I know this crowd will appreciate: OPIC is one government agency that actually turns a profit. // Today, after years of being overlooked, OPIC is coming into its own -- as a key tool in our overall approach to help the world's emerging democracies sustain themselves.

We've got to be realistic. Economic growth won't come overnight. The emerging democracies of Eastern Europe have sustained four decades of economic decay. Here in our own hemisphere, years of dictatorship in Nicaragua and Panama have all but driven those economies into the ground -- and destroyed the basic commercial infrastructure that makes growth possible.

But with the emergence of democracy, fundamental changes are taking place. These nations are working round the clock to jump-start their stalled economies -- to create conditions for a functioning free market. And for democracy's sake -- we've got to do all we can to help this transition take place.

Let me tell you what OPIC's doing to strengthen the free market foundations of democracy in Panama. One month after Operation Just Cause, OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that 7-day

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Here's the story of one American businessman who went on that mission. A small businessman -- a shrimp farmer from Coral Gables, Florida -- named Joe Thaggard. During the days of the old regime, he struggled to keep alive a small shrimp farm in Panama. Now with the return of democracy, Joe saw a risk worth taking -- and so did OPIC. In three months' time, he has more than doubled his workers -- and now has more than 100 Panamanians on payroll. / Joe Thaggard's making the most of a good business opportunity -- and he's helping provide the people who work for him in Panama, and their families, more than just a paycheck. He's providing them a chance to build a future. //

We're looking to create the same kind of opportunities for investment in Nicaragua, where an OPIC mission is planned for early June. / And of course, beyond our own hemisphere, there is a need for this kind of private investment in Eastern Europe. // As we speak, OPIC's President, my good friend Fred Zeder, is leading an investment mission to Hungary and Poland --playing matchmaker to 30 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150 million dollar deal between General Electric and Hungary's largest electric enterprise, Tungstam -- what you may not know is OPIC's leading role in making that investment possible. {And that's just a fraction of the interest generated so far: already, OPIC has received

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Government must act too -- to help energize the private sector. // Today, I'm announcing today the formation -- under OPIC's auspices -- of two growth funds. Magnets for the kind of investment capital that can create growth and responsible development in these new democracies I've been talking about, and around the world.

First, the Eastern Europe Growth Fund. Privately managed - - but capitalized in part by OPIC, and backed by its political risk insurance. With a total capitalization of \$200 million dollars, this fund can channel American investment dollars into Eastern Europe's most promising economic ventures.

Second, I want to announce the creation of the **Environmental Investment Fund** -- backed by the same OPIC guarantees. This \$100 million dollar fund will help finance enterprises in developing nations that fight pollution, or contribute to the sustainable use of natural resources. The United States and the nations of the world share a responsibility for the environmental health of the planet. // We've got to challenge ourselves to keep alive that concern and commitment we saw so clearly on **Earth Day -- every day.**

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You are making history -- helping millions of people realize their dream of democracy. It will be a tremendous struggle -- a struggle measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary -- and what I've learned in my conversations with the new leaders of Nicaragua and Panama -- is that all the years of despotic rule **have not crushed the human spirit.**

These people are determined -- full of hope and dreams. And now -- they're **free**.

And if our American example teaches anything -- it teaches that **freedom** is the world's most powerful force. ///

It's been a privilege to speak to all of you today. Thank you -- and may God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/25/90

ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 AM 4/26/90

SUBJECT: PRESIDENTIAL REMARKS: US CHAMBER OF COMMERCE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>Rogers</u>	☒	☐
CICCONI	☐	☒	<u>Winston</u>	☐	☒
DEMAREST	☒	☐	<u>Pinkerton</u>	☒	☐
FITZWATER	☐	☒	<u>Boskin</u>	☒	☐
GRAY	☒	☐	<u>DeLand</u>	☒	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide your comments/recommendations directly to Chriss Winston's office with a copy to my office by 10:00 AM THURSDAY, APRIL 26, 1990. Thank you.

RESPONSE:

OK S.R.
Good put OPIC material.

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

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See comments

90 MAR 26 PM 4:11

*new changes
are in
red*

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

PRESIDENTIAL REMARKS: U.S. CHAMBER OF COMMERCE
CONSTITUTION HALL
APRIL 30, 1990
9:00 A.M.

Thank you. It's always a pleasure to meet with this high-powered group. I want to acknowledge outgoing Chairman of the Chamber, John Clendenin, for the leadership he's shown this past year. / Incoming Chairman James Baker -- and no, it's not a Cabinet shake-up: I'm talking about James K. Baker -- who will carry the Chamber's fine tradition forward into this new decade. / Let me say hello to Dick Leshner, President [[-- I'm tempted to say President for Life --]] of the Chamber of Commerce. //

And finally, let me welcome our special guests -- the schoolchildren here today from all around the Washington area, right here in front. I know you've been looking forward to today for a long time. // After all, it's not every day you get to get out of math and spelling. //

I know it isn't easy to understand all the things we're talking about this morning. But there is one thing I'm sure you can understand. **You're here because you are important --** because when you grow up, you might just run your own business, like the people here. Or maybe you'll even run for President -- and believe it or not, I was once 7 years old, just like you are now. // So today I want to challenge all of you: keep working hard in school. Do your very best. // And I want to challenge

the Chamber of Commerce as well. Keep up your crusade for excellence in education. Help us make that classroom a place where miracles happen. ///

John Clendenin mentioned a few moments ago the whirlwind of change we've seen this past year. Last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system -- it was the death of economics.

That much was clear. What none of us could see on the eve of May Day '89 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the State, and embraced democracy. Here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the triumph of democracy. //

These transforming events brought freedom to tens of millions of people. And with that freedom, new challenges. Digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time had come to make a start in the difficult work of democracy-building.

It's that challenge that I want to talk about today. And it's a challenge that can engage every one of you -- because you and the institutions you represent are proof of the power of the

private sector. // Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector - - in all its diversity -- in the business of building democracy.

That's not to say that there is no work for government to do. Government-to-government aid is essential -- especially in the first days of democracy, when the institutions of free government are most fragile. / That's why I continue to urge Congress to pass our emergency aid to Nicaragua and Panama -- and that's why we've already put together aid packages for Poland and Hungary. When democracy's at stake, America always extends a hand. //

But as I've said many times, government aid alone is not the answer. / It's more than a matter of finding enough funds. It's a matter of principle -- of what we mean when we talk about building democracy.

The simple truth is this: Democracy -- and the freedoms it enshrines -- can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society -- the building blocks of democracy. All the elements that make America what it is: Competition. Opportunity. Stewardship. Private investment.

Those building blocks are what make America work. More than that -- they're what make democracy work.

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*DeSadi
4/7/80*

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DuSault
x 4770

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#

URGENT

OPIC FORM 87

FACSIMILE TRANSMITTAL COVER SHEET

DATE : APRIL 26, 1990

FACSIMILE NO. : 395-6926

TO : PETER RODMAN

COMPANY : NATIONAL SECURITY COUNCIL

STATE/COUNTRY : WASHINGTON, D.C.

FROM : JAMES D. BERG
OVERSEAS PRIVATE INVESTMENT CORP.
PRESIDENT
DEPARTMENT

NUMBER OF PAGES 11 INCLUDING COVER SHEET.

IN THE EVENT OF PROBLEMS IN RECEIVING THIS FACSIMILE TRANSMISSION, PLEASE CALL THE FOLLOWING NUMBER IMMEDIATELY:

(202) 457-7003

URGENT

COMMENTS: AS DISCUSSED, SPEECH FOR APRIL 30 FOLLOWS: OPIC
HAS CHANGES ON PAGES 5-8 (AND A NEW PARA FOR PAGE 6);
THIS PACKAGE IS ALSO BEING FAXED TO HOLLY WILLIAMSON
IN WH CABINET AFFAIRS.

1615 M STREET, N.W. WASHINGTON, D.C. 20527 (202) 457-7200 FAX (202) 775-9241

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

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CONSTITUTION HALL
APRIL 30, 1990
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APR 25 '90 19:00

FROM THE WHITE HOUSE #2

PAGE.002

GREAT STORY
BAD EXAMPLE

6

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These people are determined -- full of hope and dreams. And now -- they're free.

And if our American example teaches anything -- it teaches that freedom is the world's most powerful force. ///

SENT BY:
SENT BY: THE WHITE HOUSE

; 4-26-90 ; 8:47AM ;
; 4-26-90 ; 2:58PM ;

OPIC WASH DC-202 395 6926 ;#11
CABINET AFFAIRS- OPIC WASH DC-10

9

It's been a privilege to speak to all of you today. Thank
you -- and may God bless the United States of America.

* * *

WHITE HOUSE STAFFING MEMORANDUM

3237

DATE: 4/25/90ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 AM 4/26/90SUBJECT: PRESIDENTIAL REMARKS: US CHAMBER OF COMMERCE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT →	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☐
BATES	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>Rogers</u>	☒	☐
CICCONI	☐	☒	<u>Winston</u>	☐	☒
DEMAREST	☒	☐	<u>Pinkerton</u>	☒	☐
FITZWATER	☐	☒	<u>Boskin</u>	☒	☐
GRAY	☒	☐	<u>DeLand</u>	☒	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide your comments/recommendations directly to Chriss Winston's office with a copy to my office by 10:00 AM THURSDAY, APRIL 26, 1990. Thank you.

RESPONSE:

TO: CHRISS WINSTON

NSC concurs with the Presidential remarks for the U.S. Chamber of Commerce, with changes indicated.

Brent Scowcroft

cc: James W. Cicconi

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

PRESIDENTIAL REMARKS: U.S. CHAMBER OF COMMERCE
CONSTITUTION HALL
APRIL 30, 1990
9:00 A.M.

Thank you. It's always a pleasure to meet with this high-powered group. I want to acknowledge outgoing Chairman of the Chamber, John Clendenin, for the leadership he's shown this past year. / Incoming Chairman James Baker -- and no, it's not a Cabinet shake-up: I'm talking about James K. Baker -- who will carry the Chamber's fine tradition forward into this new decade. / Let me say hello to Dick Leshner, President [[-- I'm tempted to say President for Life --]] of the Chamber of Commerce. //

And finally, let me welcome our special guests -- the schoolchildren here today from all around the Washington area, right here in front. I know you've been looking forward to today for a long time. // After all, it's not every day you get to get out of math and spelling. //

I know it isn't easy to understand all the things we're talking about this morning. But there is one thing I'm sure you can understand. You're here because you are important -- because when you grow up, you might just run your own business, like the people here. Or maybe you'll even run for President -- and believe it or not, I was once 7 years old, just like you are now. // So today I want to challenge all of you: keep working hard in school. Do your very best. // And I want to challenge

the Chamber of Commerce as well. Keep up your crusade for excellence in education. Help us make that classroom a place where miracles happen. ///

John Clendenin mentioned a few moments ago the whirlwind of change we've seen this past year. Last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system -- it was the death of economics.

That much was clear. What none of us could see on the eve of May Day '89 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the State, and embraced democracy. Here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the triumph of democracy. //

These transforming events brought freedom to tens of millions of people. And with that freedom, new challenges. Digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time had come to make a start in the difficult work of democracy-building.

It's that challenge that I want to talk about today. And it's a challenge that can engage every one of you -- because you and the institutions you represent are proof of the power of the

private sector. // Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector - - in all its diversity -- in the business of building democracy.

That's not to say that there is no work for government to do. Government-to-government aid is essential -- especially in the first days of democracy, when the institutions of free government are most fragile. / That's why I continue to urge Congress to pass our emergency aid to Nicaragua and Panama -- and that's why we've already put together aid packages for Poland and Hungary. When democracy's at stake, America always extends a hand. //

But as I've said many times, government aid alone is not the answer. / It's more than a matter of finding enough funds. It's a matter of principle -- of what we mean when we talk about building democracy.

The simple truth is this: Democracy -- and the freedoms it enshrines -- can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society -- the building blocks of democracy. All the elements that make America what it is: Competition. Opportunity. Stewardship. Private investment.

Those building blocks are what make America work. More than that -- they're what make democracy work.

And they're what the newly emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper. Think back to what Lech Walesa said last November, when he spoke to the AFL-CIO about the needs of the new Poland. "Such is the fate of a Polish trade unionist," he said, that "he has to launch a publicity campaign for private entrepreneurship."

Lech Walesa told the Congress he hadn't come to ask for charity. He knew -- as we know -- that we can't create democracy by writing a check. We build democracy in other nations not by taking responsibility for their needs -- but by helping them take responsibility for themselves. We build democracy whenever we help individuals take their destiny in their own hands.

Democracy puts the focus not on government -- but on the freedom of the individual. Not on the State, but on society -- the private sector. Democracy thrives in direct proportion to the flowering of individual freedom and free enterprise.

And my Administration is doing all it can to promote private sector development. The Commerce Department -- under Bob Mosbacher's leadership -- has opened its Eastern Europe Business Information Center, and has just hosted, with the Chamber, a conference on doing business in Eastern Europe. Carla Hills and her USTR team have been negotiating with the emerging democracies to open the way for expanded trade. And at Agriculture, Clayton Yeutter has led our effort to provide food aid -- and free market expertise to spearhead agricultural reforms.

But today, I want to turn the spotlight on one of the best-kept secrets in town: an agency called OPIC -- the Overseas Private Investment Corporation.

OPIC's been around since the days of the Marshall Plan. And here's a fact I know this crowd will appreciate: OPIC is one government agency that actually turns a profit. // Today, after years of being overlooked, OPIC is coming into its own -- as a key tool in our overall approach to help the world's emerging democracies sustain themselves.

We've got to be realistic. Economic growth won't come overnight. The emerging democracies of Eastern Europe have sustained four decades of economic decay. Here in our own hemisphere, years of dictatorship in Nicaragua ^{drove its economy} ~~and Panama have~~
 ~~all but driven those economies~~ into the ground -- and destroyed the basic commercial infrastructure that makes growth possible.

But with the emergence of democracy, fundamental changes are taking place. These nations are working round the clock to jump-start their stalled economies -- to create conditions for a functioning free market. And for democracy's sake -- we've got to do all we can to help this transition take place.

Let me tell you what OPIC's doing to strengthen the free market foundations of democracy in Panama. ^{Two} ~~One~~ month after Operation Just Cause, OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that 7-day

Panama is
much
different
from
Nicaragua

Feb. 22

mission should lead to the direct investment of more than \$70 million dollars in Panama, and 400 new jobs.

[Here's the story of one American businessman who went on that mission. A small businessman -- a shrimp farmer from Coral Gables, Florida -- named Joe Thaggard. During the days of the old regime, he struggled to keep alive a small shrimp farm in Panama. Now with the return of democracy, Joe saw a risk worth taking -- and so did OPIC. In three months' time, he has more than doubled his workers -- and now has more than 100 Panamanians on payroll. / Joe Thaggard's making the most of a good business opportunity -- and he's helping provide the people who work for him in Panama, and their families, more than just a paycheck. He's providing them a chance to build a future. //

We're looking to create the same kind of opportunities for investment in Nicaragua, where an OPIC mission is planned for early June. / And of course, beyond our own hemisphere, there is a need for this kind of private investment in Eastern Europe. // As we speak, OPIC's President, my good friend Fred Zeder, is leading an investment mission to Hungary and Poland --playing matchmaker to 30 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150 million dollar deal between General Electric and Hungary's largest electric enterprise, Tungsram -- what you may not know is OPIC's leading role in making that investment possible. {And that's just a fraction of the interest generated so far: already, OPIC has received

Bad example!
Because of
new law,
Panamanian
shrimp can't
be imported
into US
because
no
turtle
excluders
on their
nets!

requests representing more than \$2 billion dollars worth of private sector investment in Hungary and Poland alone.}

The potential for growth -- and the dividends for democracy -- are both great. //

You may have heard about some of Japan's new joint ventures in Eastern Europe -- Suzuki's plan to build cars in Hungary, or Daihatsu's deal to do the same in Poland. // There's nothing unfair about these ventures -- just proof that one of our key competitors is engaged in a hard-nosed hunt for good opportunities in a new market.

I've said it before and I'll say it now: American business can out-think, out-work, and out-perform any nation in the world. But we can't beat the competition if we don't get in the game. // If American business wants to keep ahead of the competition, the time to act is now. //

Government must act too -- to help energize the private sector. // Today, I'm announcing today the formation -- under OPIC's auspices -- of two growth funds. Magnets for the kind of investment capital that can create growth and responsible development in these new democracies I've been talking about, and around the world.

First, the Eastern Europe Growth Fund. Privately managed - - but capitalized in part by OPIC, and backed by its political risk insurance. With a total capitalization of \$200 million dollars, this fund can channel American investment dollars into Eastern Europe's most promising economic ventures.

Second, I want to announce the creation of the **Environmental Investment Fund** -- backed by the same OPIC guarantees. This \$100 million dollar fund will help finance enterprises in developing nations that fight pollution, or contribute to the sustainable use of natural resources. The United States and the nations of the world share a responsibility for the environmental health of the planet. // We've got to challenge ourselves to keep alive that concern and commitment we saw so clearly on **Earth Day -- every day.**

I know many of you are already involved in the economies of the countries I've been speaking about. John Clendenin mentioned your newly-created East European Trade and Technical Assistance Center -- and I also know the Chamber of Commerce just opened its newest international office in Budapest.

You are making history -- helping millions of people realize their dream of democracy. It will be a tremendous struggle -- a struggle measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary -- and what I've learned in my conversations with the new leaders of Nicaragua and Panama -- is that all the years of despotic rule **have not crushed the human spirit.**

These people are determined -- full of hope and dreams. And now -- they're **free**.

And if our American example teaches anything -- it teaches that **freedom** is the world's most powerful force. ///

It's been a privilege to speak to all of you today. Thank you -- and may God bless the United States of America.

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NATIONAL SECURITY COUNCIL EXECUTIVE SECRETARIAT STAFFING DOCUMENT

TIME STAMP

RECEIVED

SYSTEM LOG NUMBER: 3237

90 APR 25 A 9.30

ACTION OFFICER: RODMAN

DUE: COB 25 APR

- ☐ Prepare Memo For Scowcroft/Gates
- ☐ Prepare Memo For Cicconi
- ☒ Prepare Memo SCOWCROFT

- ☐ Appropriate Action
- ☒ Prepare Memo for Hughes
- to WINSTON W/ INFO CICCONT

URGENT

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext. 6907

- FYI
- ☐ Basora
- ☐ Beers
- ☒ Blackwill
- ☐ Charles
- ☐ Coulson
- ☐ Davis
- ☐ Deal
- ☐ Dorminey
- ☐ Dyke
- ☐ Gordon
- ☐ Grimes
- ☐ Haass
- ☐ Hayden
- ☒ Hutchings *N/A*
- ☐ Jackson
- ☐ Kanter
- ☐ Kitchen
- ☐ LaMagna

- FYI
- ☐ Lampley
- ☐ Levin
- ☐ Mahley
- ☐ Mandel
- ☒ Melby *OK LUND SAGER FOR*
- ☐ Menan
- ☐ Merchant
- ☐ Miller
- ☐ Needels
- ☐ Paal
- ☐ Pacelli
- ☐ Passage
- ☐ Pilling
- ☒ Popadiuk
- ☒ Pryce *Pacelli for chs*
- ☐ Rademaker
- ☐ Rice
- ☐ Rodman

- FYI
- ☐ Rostow
- ☐ Salvetti
- ☐ Tilley
- ☐ Tobey
- ☐ Van Eron
- ☐ Watson
- ☐ Welch
- ☐ Whitley
- ☐ Wilson
- ☐ Working
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INFORMATION ☐ Hughes

☒ Scowcroft (advance)

☒ Sittmann

☒ Gates (advance)

☒ Exec. Sec. Desk

☒ Secretariat

COMMENTS

Logged By AC

Return to Secretariat

The Senate added another half a billion dollars in domestic discretionary spending....

USE STAFFING MEMORANDUM

ACTION/CONCURRENCE/COMMENT DUE BY: _____

AL REMARKS: U.S. CHAMBER OF COMMERCE

		CTION FYI		ACTION	FYI
VICE PRESIDENT	☐	☒	MCCLURE	☐	☒
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☐	☒	PORTER	☐	☒
DARMAN	☐	☒	ROGICH	☐	☒
BATES	☐	☒	UNTERMAYER	☐	☐
CARD	☐	☒	<u>ROGERS</u>	☐	☒
CICCONI	☐	☒	<u>WINSTON</u>	☐	☒
DEMAREST	☐	☒	<u>PINKERTON</u>	☐	☒
FITZWATER	☐	☒	<u>BOSKIN</u>	☐	☒
GRAY	☐	☒	<u>DELAND</u>	☐	☒
HAGIN	☐	☐	_____	☐	☐

REMARKS:

The attached has bee forwarded to the President.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

McGroarty/Dooley
April 27, 1990
2:00 pm
[comm.90]

PRESIDENTIAL REMARKS: U.S. CHAMBER OF COMMERCE
CONSTITUTION HALL
APRIL 30, 1990
10:00 A.M.

Thank you. It's always a pleasure to meet with this high-powered group. I want to acknowledge Dick Leshner, President of the Chamber of Commerce. / Outgoing Chairman John Clendenin -- for the leadership he's shown this past year. / Incoming Chairman James Baker -- no, it's not a Cabinet shake-up: I'm talking about James K. Baker -- who will carry the Chamber's fine tradition forward into this new decade.

And finally, let me welcome our special guests: all these Washington-area schoolchildren, right here in front. I know you've been looking forward to today for a long time. // After all, it's not every day you get out of math and spelling. //

I know it won't be easy to understand all the things we're talking about this morning. But there is one thing I'm sure you can understand. **You're here because you are important** -- because when you grow up, you might just run your own business, like the people here. Or maybe you'll even run for President. [Believe it or not, I was once a 2nd Grader, just like you are now.] So today I want to challenge all of you: keep working hard in school. Do your very best -- and don't be afraid to reach for your dreams. //

And I want to challenge the Chamber of Commerce as well. All of you know that the Governors and I have agreed on a national education goals -- goals we must meet by the year 2000 - - the year these 2nd Graders graduate. I am delighted at all the Chamber of Commerce is doing to advance this great cause of excellence in education -- but today I challenge you to get involved in **every school and community across America**. Help us make that classroom **a place where miracles happen**. ///

And before I go any further, I want to thank the Chamber of Commerce for its support on an issue essential to our nation's economic future. Last week, I sent to Congress a three point plan for budget reform: One, supporting the Legislative Line-Item Veto Act. Two, proposing an amendment to the Constitution to provide the President a line-item veto. And three, endorsing a balanced budget amendment. // The Chamber -- together with other organizations in the Coalition for Fiscal Responsibility -- has been on the front lines of the battle for budget reform. I ask you now to push hard for this three point plan. The time has come to put our fiscal house in order. //

And let me say a few words about my Administration's trade strategy. First, success in the Uruguay Round trade talks is my top trade priority. The GATT needs strengthening. It doesn't cover services, investment, or intellectual property rights. Its rules on agricultural trade are too weak -- creating counterproductive pressures to subsidize farm exports. And we've got to strengthen GATT as a matter of principle -- as a sign to

the emerging democracies of Eastern Europe and in this hemisphere that free trade is the way of the future. //

Second, let me say a word about Japan. All of you know that I did not name Japan a priority country under the provisions of ^{Super 301} ~~the~~ 1988 Trade Act. (USTR) Section 301. That does not mean all of our trade problems with Japan have disappeared. We know that we could sell more American products if Japan's market were truly open. But we've been working hard on that -- and with impressive results. Over the past few months, we've made more progress on trade issues with Japan than at any other time I can recall. Part of the reason for this success is that Prime Minister Kaifu shares our commitment to ensuring that **trade strengthens -- rather than undermines -- the friendship between our nations.** //

We'll continue to press for progress -- and keep in mind: **Section 301 and other trade law authority remain available.** We will use all the tools at our disposal to **open markets -- and ensure fair treatment** for American products, services, American investment and ideas. I'm confident we'll achieve results. //

John Clendenin mentioned in his speech the whirlwind of change we've seen this past year. Last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system -- it was the death of economics.

That much was clear. What none of us could see on the eve of May Day '89 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the State, and embraced democracy. Here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the decade of democracy. //

These transforming events brought freedom to tens of millions of people. And with that freedom, new challenges: Digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time has come to make a start in the difficult work of democracy-building.

It's that challenge that I want to talk about today. And it's a challenge that can engage every one of you -- because you and the institutions you represent are proof of the power of the private sector. // Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector - - in all its diversity -- in the business of building democracy.

That's not to say that there is no work for government to do. Government-to-government aid is essential -- especially in the first days of democracy, when the institutions of free government are most fragile. / That's why I continue to urge Congress to move our Nicaragua and Panama emergency aid

legislation out of conference and to the floor -- for final passage as soon as possible. // That's why we've already put together aid packages for Poland and Hungary. When democracy's at stake, America always extends a hand. //

But as I've said many times, government aid alone is not the answer. / It's more than a matter of finding enough funds. It's a matter of principle -- of what we mean when we talk about building democracy. The simple truth is this: Democracy -- and the freedoms it enshrines -- can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society -- the building blocks of democracy. All the elements that make America what it is: Competition. Opportunity. Stewardship. Private investment.

Those building blocks are what make America work. More than that -- they're what make democracy work.

And they're what the newly emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper. Think back to what Lech Walesa said last November, when he spoke to the AFL-CIO about the needs of the new Poland. "Such is the fate of a Polish trade unionist," he said, that "he has to launch a publicity campaign for private entrepreneurship."

Lech Walesa told the Congress he hadn't come to ask for charity. He knew -- as we know -- that we can't create democracy by writing a check. We build democracy in other nations not by taking responsibility for their needs -- but by helping them take

It is frustrating to see Congress on this legislation. I called for this on — asked that it be done by legislation. In the House — 5 billion in non related spending was added. The Senate has added — billion and is committee tackled on an abortion provision. No words there
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responsibility for themselves. We build democracy whenever we help individuals take their destiny in their own hands.

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And my Administration is doing all it can to promote private sector development. The Commerce Department, under Bob Mosbacher's leadership, has opened its Eastern Europe Business Information Center and, with the Chamber, has just hosted a conference on doing business in Eastern Europe. Carla Hills and her USTR team have been negotiating with the emerging democracies to open the way for expanded trade. At Labor, Elizabeth Dole is directing programs assisting Poland on key issues such as job training and unemployment insurance. And at Agriculture, Clayton Yeutter has led our effort to provide food aid -- and free market expertise to spearhead agricultural reforms.

But today, I want to turn the spotlight on one of the best-kept secrets in town: an agency called OPIC -- the Overseas Private Investment Corporation.

OPIC's programs have been around since the days of the Marshall Plan, providing loans and risk insurance to American companies expanding into markets across the developing world. Here's a fact I know this crowd will appreciate: OPIC is one government agency that actually turns a profit. // Today

especially, OPIC is as an important tool in our overall approach to help the world's emerging democracies sustain themselves.

But we've got to be realistic. Economic growth won't come overnight. Eastern Europe sustained four decades of economic decay. Here in our own hemisphere, years of dictatorship in Nicaragua drove its economy into the ground -- destroyed the basic commercial infrastructure that makes growth possible.

But with the emergence of democracy, these nations are working round the clock to jump-start their stalled economies -- to make the fundamental changes needed to create a functioning free market. For democracy's sake -- we've got to do all we can to help this transition take place.

Let me tell you what OPIC's doing to strengthen the free market foundations of democracy in Panama. Just 60 days after Operation Just Cause, OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that 7-day mission should lead to the direct investment of more than \$70 million dollars in Panama, and 400 new jobs.

Here's the story of one company that took part in that OPIC mission: Servrite International -- a small dairy company, based in New Haven, Connecticut. Servrite had plans to invest in Panama -- plans it abandoned because of the old regime. Now, with the return of democracy, Servrite is moving forward -- building a modern milk processing plant in the rural province of Chiriqui. // The project will create 50 new jobs, and provide

technical assistance to help 30 Panamanian dairy farmers get their milk to market. For Servrite, this is a good business opportunity. But for the Panamanians involved, it's more than just a paycheck. It's a chance to build a future. //

We're looking to create the same kind of opportunities for investment in Nicaragua -- and of course, beyond our own hemisphere, in Eastern Europe. As we speak, OPIC's President, my good friend Fred Zeder, is leading a mission to Hungary and Poland -- playing matchmaker to 44 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150 million dollar deal between General Electric and Hungary's largest electric enterprise, Tungsum -- what you may not know is OPIC's leading role in making that investment possible. That's just a fraction of the interest generated so far: already, OPIC has received requests representing more than \$2 billion dollars worth of American investment in Hungary and Poland alone. The potential for growth -- and the dividends for democracy -- are both great.

You may have heard about some of Japan's new joint ventures in Eastern Europe -- Suzuki's plan to build cars in Hungary, or Daihatsu's deal to do the same in Poland. // There's nothing **unfair** about these ventures -- just proof that one of our key competitors is engaged in a hard-nosed hunt for good opportunities in a new market.

I've said it before and I'll say it now: American business can out-think, out-work, and out-perform any nation in the world.

But we can't beat the competition if we don't get in the game.

// If American business wants to keep ahead of the competition,
the time to act is now. //

Government must act too -- to help energize the private sector. / Today, I'm announcing a new initiative -- under OPIC's auspices -- to establish an Eastern European Growth Fund. A magnet for the kind of investment capital that can create self-sustaining growth and responsible development. // This fund will be privately managed -- underwritten, in part, by OPIC and backed by its political risk insurance -- within existing budget authorities. When fully capitalized at \$200 million dollars, this fund will provide a significant source of new capital for promising economic ventures.

I know the Chamber is already involved in expanding free market forces. I've heard about your newly-created East European Trade and Technical Assistance Center -- and about the new American Chamber of Commerce in Budapest. //

You are helping millions of people realize their dream of democracy. It will be a tremendous struggle -- measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary -- and what I've learned in my conversations with the new leaders of Nicaragua and Panama -- is that all the years of despotic rule have not crushed the human spirit. //

These people are determined -- full of hope and dreams. And now -- they're free.

And if our American example teaches anything -- it teaches that freedom is the world's most powerful force. ///

It's been a privilege to speak to all of you today. Thank you -- and may God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/25/90

ACTION/CONCURRENCE/COMMENT DUE BY: 10:00 AM 4/26/90

SUBJECT: PRESIDENTIAL REMARKS: US CHAMBER OF COMMERCE

1000
1010
1025

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT <i>at arrival</i>	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH <i>N/C</i>	☒	☐
BATES <i>waiting on Commerce Labor</i>	☒	☐	UNTERMAYER	☐	☐
CARD	☐	☒	<u>Rogers</u>	☒	☐
CICCONI	☐	☒	<u>Winston</u>	☐	☒
DEMAREST	☒	☐	<u>Pinkerton</u> <i>coming</i>	☒	☐
FITZWATER	☐	☒	<u>Boskin</u> <i>on its way</i>	☒	☐
GRAY	☒	☐	<u>Deland</u> <i>N/C</i>	☒	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please provide your comments/recommendations directly to Chriss Winston's office with a copy to my office by 10:00 AM THURSDAY, APRIL 26, 1990. Thank you.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

McGroarty/Dooley
April 24, 1990
6:00 pm
[comm.90]

1990 APR 24 PM 6:16

PRESIDENTIAL REMARKS: U.S. CHAMBER OF COMMERCE
CONSTITUTION HALL
APRIL 30, 1990
9:00 A.M.

Thank you. It's always a pleasure to meet with this high-powered group. I want to acknowledge outgoing Chairman of the Chamber, John Clendenin, for the leadership he's shown this past year. / Incoming Chairman James Baker -- and no, it's not a Cabinet shake-up: I'm talking about James K. Baker -- who will carry the Chamber's fine tradition forward into this new decade. / Let me say hello to Dick Leshner, President ~~[[-- I'm tempted to say President for Life --]]~~ of the Chamber of Commerce. //

And finally, let me welcome our special guests -- the schoolchildren here today from all around the Washington area, right here in front. I know you've been looking forward to today for a long time. // After all, it's not every day you ~~get to~~ get out of math and spelling. //

I know it isn't easy to understand all the things we're talking about this morning. But there is one thing I'm sure you can understand. **You're here because you are important --** because when you grow up, you might just run your own business, like the people here. Or maybe you'll even run for President -- and believe it or not, I was once 7 years old, just like you are now. // So today I want to challenge all of you: keep working hard in school. Do your very best. // And I want to challenge

the Chamber of Commerce as well. Keep up your crusade for excellence in education. Help us make that classroom **a place where miracles happen.** ///

John Clendenin mentioned a few moments ago the whirlwind of change we've seen this past year. Last year, I spoke to you on May 1 -- May Day -- by tradition one of the great days of celebration in the socialist world. I said then that even the socialist world was coming to see that socialism wasn't just another economic system -- it was the death of economics.

That much was clear. What none of us could see on the eve of May Day '89 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe -- one nation after another broke the stranglehold of the State, and embraced democracy. Here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the ^{decade} triumph of democracy. //

These transforming events brought freedom to tens of millions of people. ^{Democracy is premised on individual freedom.} And with that freedom, new challenges. Digging out from under the wreckage of ruined economies. Reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time had come to make a start in the difficult work of democracy-building ^{and economic restructuring.}

It's that challenge that I want to talk about today. And it's a challenge that can engage every one of you -- because you and the institutions you represent are **proof of the power of the**

*and to the floor for final
passage as soon as possible.*

private sector. // Democracy prospers when it rests on the firm foundation of the free market.

Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector - in all its diversity -- in the business of building democracy.

That's not to say that there is no work for government to do. Government-to-government aid is essential -- especially in the first days of democracy, when the institutions of free government are most fragile. / That's why I continue to urge Congress to ~~pass~~ *move this legislation out of conference* our emergency aid to Nicaragua and Panama, ~~and~~ *out of conference* and that's ^{also} why we've already put together aid packages for Poland and Hungary. When democracy's at stake, America always extends a hand. //

But as I've said many times, government aid alone is not the answer. / It's more than a matter of finding enough funds. It's a matter of principle -- of what we mean when we talk about *the* building democracy.

The simple truth is this: Democracy -- and the freedoms it enshrines -- can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society -- the building blocks of democracy. All the elements that make America what it is: Competition. Opportunity. Stewardship. Private investment.

Those building blocks are what make America work. More than that -- they're what make democracy work.

And they're what the newly emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper. Think back to what Lech Walesa said last November, when he spoke to the AFL-CIO about the needs of the new Poland. "Such is the fate of a Polish trade unionist," he said, that "he has to launch a **publicity campaign for private entrepreneurship**."

Lech Walesa told the Congress he hadn't come to ask for charity. He knew -- as we know -- that **we can't create democracy by writing a check**. We build democracy in other nations **not** by taking responsibility for their needs -- but by helping them take **responsibility for themselves**. We build democracy whenever we help individuals take their destiny in their own hands.

Democracy puts the focus **not on government** -- but on the **freedom of the individual**. Not on the **State**, but on **society** -- **the private sector**. **Democracy thrives in direct proportion to the flowering of individual freedom and free enterprise**.

And my Administration is doing all it can to promote private sector development. The **Commerce Department** -- under Bob Mosbacher's leadership -- has opened its Eastern Europe Business Information Center, and has just hosted, with the Chamber, a conference on doing business in Eastern Europe. Carla Hills and her **USTR** team have been negotiating with the emerging democracies to open the way for expanded trade. And at ^{B.F.}**Agriculture**, Clayton Yeutter has led our effort to provide food aid -- and free market expertise to spearhead agricultural reforms.

Dole insert

But today, I want to turn the spotlight on one of the best-kept secrets in town: an agency called OPIC -- the Overseas Private Investment Corporation. *(brief description of OPIC)*

OPIC's been around since the days of the Marshall Plan. And here's a fact I know this crowd will appreciate: OPIC is one government agency that actually turns a profit. // Today, after years of being overlooked, OPIC is coming into its own -- as an *important* ~~key~~ tool in our overall approach to help the world's emerging democracies sustain themselves.

We've got to be realistic. Economic growth won't come overnight. The emerging democracies of Eastern Europe have sustained four decades of economic decay. Here in our own hemisphere, years of dictatorship in Nicaragua and Panama have *drove its economy* ~~all but driven those economies~~ into the ground -- and destroyed the basic commercial infrastructure that makes growth possible.

But with the emergence of democracy, fundamental changes are taking place. These nations are working round the clock to jump-start their stalled economies -- to create conditions for a functioning free market. And for democracy's sake -- we've got to do all we can to help this transition take place.

Let me tell you what OPIC's doing to strengthen the free market foundations of democracy in Panama. *Just sixty days* ~~One month~~ after Operation Just Cause, OPIC led an investment mission of 27 American businesspeople to meet with their counterparts in Panama. The investment agreements that came out of that 7-day

mission should lead to the direct investment of more than \$70 million dollars in Panama, and 400 new jobs.

new story

Here's the story of one American businessman who went on that mission. A small businessman -- a shrimp farmer from Coral Gables, Florida -- named Joe Thaggard. During the days of the old regime, he struggled to keep alive a small shrimp farm in Panama. Now with the return of democracy, Joe saw a risk worth taking -- and so did OPIC. In three months' time, he has more than doubled his workers -- and now has more than 100 Panamanians on payroll. / Joe Thaggard's making the most of a good business opportunity -- and he's helping provide the people who work for him in Panama, and their families, more than just a paycheck. He's providing them a chance to build a future. //

We're looking to create the same kind of opportunities for investment in Nicaragua, where an OPIC mission is planned for early June. / And of course, beyond our own hemisphere, there is a need for this kind of private investment in Eastern Europe. // As we speak, OPIC's President, my good friend Fred Zeder, is leading an investment mission to Hungary and Poland --playing matchmaker to 30 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150 million dollar deal between General Electric and Hungary's largest electric enterprise, Tungsum -- what you may not know is OPIC's leading role in making that investment possible. {And that's just a fraction of the interest generated so far: already, OPIC has received

You may have heard about some of Japan's new joint ventures in Eastern Europe -- Suzuki's plan to build cars in Hungary, or Daihatsu's deal to do the same in Poland. // There's nothing **unfair** about these ventures -- just proof that one of our key competitors is engaged in a hard-nosed hunt for good opportunities in a new market.

Government must act too -- to help energize the private sector. // Today, I'm announcing ~~today the formation~~ *to establish a* -- ~~of two growth funds~~ *to establish a* -- ~~a~~ *new initiative* Magnets for the kind of investment capital that can create growth and responsible development in these new democracies I've been talking about, and around the world.

First, the Eastern Europe Growth Fund, ^{will be} Privately managed, ^{and} ~~it will be~~ ^{underwritten} ~~but~~ capitalized, in part, by OPIC, ^{when fully capitalized at} and backed by its political risk insurance. ~~With a total capitalization of~~ \$200 million dollars, ^{will} this fund ~~can~~ channel American investment dollars into Eastern Europe's most promising economic ventures.)

Within existing budget authorities.

we will create
 Second, I want to announce the creation of the Environmental Investment Fund -- backed by the same OPIC guarantees. This \$100 million dollar fund will help finance enterprises in developing nations that fight pollution, or contribute to the sustainable use of natural resources. The United States and the nations of the world share a responsibility for the environmental health of the planet. // We've got to challenge ourselves to keep alive that concern and commitment we saw so clearly on Earth Day -- every day.

I know many of you are already involved in the economies of the countries I've been speaking about. John Clendenin mentioned your newly-created East European Trade and Technical Assistance Center -- and I also know the Chamber of Commerce just opened its newest international office in Budapest.

You are making history -- helping millions of people realize their dream of democracy. It will be a tremendous struggle -- a struggle measured not in days or months, but years. But what I've seen on my visits to Poland and Hungary -- and what I've learned in my conversations with the new leaders of Nicaragua and Panama -- is that all the years of despotic rule **have not crushed the human spirit.**

These people are determined -- full of hope and dreams. And now -- they're free.

And if our American example teaches anything -- it teaches that **freedom** is the world's most powerful force. ///

It's been a privilege to speak to all of you today. Thank you -- and may God bless the United States of America.

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INSERT ON PAGE 2 BEFORE FIRST FULL PARAGRAPH:

Last Wednesday I sent to Congress a three-part budget reform package to: 1) propose an amendment to the Constitution to provide a line-item veto; 2) reiterate my previous support for the Legislative Line-Item Veto Act to enhance presidential authority to eliminate wasteful spending; and, finally, 3) endorse a balanced budget amendment.

I know that the Chamber of Commerce -- together with other organizations in the Coalition for Fiscal Responsibility -- has been in the forefront of the battle for these important reforms. I thank you for your efforts and say "keep up the good work" because the time has come to get our fiscal house in order.

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P. 2.

- Insert B -

✓ Labor Secretary Dole has travelled twice to Poland, and her department is providing assistance in job training, labor statistics, and the implementation of an unemployment insurance system. She has just concluded arrangements to place a building and construction crafts center outside of Warsaw, to help alleviate Poland's severe housing shortage. She has received Congressional authorization to seek donations from American construction firms and equipment manufacturers to help outfit this center.

4
P. 12

shorten to 1 sentence

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6A

NEW PARA PAGE 6 (REPLACES SHRIMP FARMER?JOE THAGGARD STORY)

HERE'S THE STORY OF A SMALL COMPANY FROM NEW HAVEN, CONNECTICUT THAT OPIC WILL HELP IN PANAMA. THIS DAIRY COMPANY HAD PLANS TO INVEST IN PANAMA, BUT HAD TO ABANDON ITS IDEAS BECAUSE OF THE OLD REGIME. NOW, WITH THE RETURN OF DEMOCRACY, SERVRITE INTERNATIONAL, ALONG WITH SOME THIRTY PANAMANIAN DAIRY FARMERS, PLANS TO BUILD A MODERN FRESH-MILK PROCESSING PLANT IN THE RURAL PROVINCE OF CHIRIQUI. THE PROJECT WILL CREATE 50 NEW JOBS AND PROVIDE AMERICAN TECHNICAL ASSISTANCE SO RURAL DAIRY FARMERS CAN GET THEIR MILK TO THE MARKET -- AND ISN'T THAT WHAT ITS ALL ABOUT! SERVRITE AND OPIC WILL MAKE THE MOST OF A GOOD BUSINESS OPPORTUNITY -- AND PROVIDE PANAMANIAN DAIRY FARMERS WITH A PAYCHECK, AND A CHANCE TO BUILD A FUTURE.

mission should lead to the direct investment of more than \$70 million dollars in Panama, and 400 new jobs.

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Here's the story of one company that took part in that OPIC mission: Servrite International -- a small dairy company, based in New Haven, Connecticut. Servrite has had plans to invest in Panama -- plans it abandoned because of the old regime. Now, with the **return of democracy**, Servrite is moving forward with plans to build a modern milk processing plant in the rural province of Chiriqui. // The project will create **50 new jobs**, and provide American **technical assistance** to help 30 Panamanian dairy farmers get their milk to market. For Servrite, this is a good business opportunity. But for the Panamanians involved in the project, it's more than just a paycheck. It's a chance to build a future. //

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