

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13574
Folder ID Number: 13574-005

Folder Title:
Enterprise for the Americas Initiative 6/27/91 [OA 6035] [1]

Stack:	Row:	Section:	Shelf:	Position:
G	26	17	2	3

SECRETARY BRADY, AMBASSADOR HILLS. MINISTER FOXLEY OF CHILE, MINISTER DEFranco OF NICARAGUA, MINISTER ALFARO OF PANAMA. I COULD NOT BE MORE PLEASED TO HAVE YOU ALL JOIN ME UP HERE TODAY. AND LOOK AT THIS AUDIENCE!

MY GOOD FRIEND, SECRETARY MOSBACHER; SECRETARY MADIGAN, ADMINISTRATOR REILLY -- IT'S GOOD TO SEE YOU HERE.

- 2 -

GREETINGS ALSO TO LARRY EAGLEBURGER, DEPUTY SECRETARY OF STATE; RON ROSKENS, A.I.D. ADMINISTRATOR; FRED ZEDER FROM O.P.I.C.; JOHN MACOMBER OF THE EXIMBANK; MEMBERS OF CONGRESS; AND REPRESENTATIVES OF THE PRIVATE SECTOR. THIS LARGE AND DISTINGUISHED GROUP OF AMERICANS ILLUSTRATES VIVIDLY OUR COMMITMENT TO BUILDING A BETTER, MORE PROSPEROUS HEMISPHERE.

WE'RE ALSO PLEASED TO HAVE WITH US ENRIQUE IGLESIAS OF THE INTER-AMERICAN DEVELOPMENT BANK; AMBASSADORS FROM LATIN AMERICA AND THE CARIBBEAN, FROM THE ORGANIZATION OF AMERICAN STATES, OTHER MEMBERS OF THE DIPLOMATIC CORPS. TO EVERYONE HERE: MY WARMEST GREETINGS TO YOU ON THIS HISTORIC DAY.

I THINK YOU'LL AGREE -- THIS COUNTS AS A WARM GREETING. // I'LL BET YOU'RE GLAD I DIDN'T TRY FOR ANYTHING WARMER. //

WE'VE COME HERE TODAY TO CELEBRATE THE FIRST ANNIVERSARY OF OUR ENTERPRISE FOR THE AMERICAS INITIATIVE. AS YOU KNOW, THE INITIATIVE GREW OUT OF TALKS BETWEEN MANY OF US. I HEARD MANY OF YOUR CONCERNS ABOUT BUILDING A PROSPEROUS HEMISPHERE -- OF THROWING OFF THE DEADENING WEIGHT OF DEBT AND ECONOMIC STAGNATION AND BUILDING STRONG TIES OF IDEALISM AND SELF-INTEREST.

WITH THE ENTERPRISE FOR THE AMERICAS INITIATIVE, WE VOWED TO ENCOURAGE FREE TRADE, STIMULATE INVESTMENT, AND REDUCE THE DEBT BURDEN THAT OVERWHELMS SO MANY OF OUR NEIGHBORS AND COLLEAGUES.

WE HAVE MADE GREAT PROGRESS. IN JUST ONE YEAR WE HAVE SIGNED EIGHT BILATERAL FRAMEWORK AGREEMENTS FOR TRADE AND INVESTMENT: WITH CHILE, COLOMBIA, COSTA RICA, ECUADOR, EL SALVADOR, HONDURAS, PERU AND VENEZUELA.

- 6 -

MAKE THAT TEN AGREEMENTS: TODAY, AMB. HILLS WILL SIGN BILATERAL FRAMEWORK AGREEMENTS WITH MINISTER DEFRANCO OF NICARAGUA AND MINISTER ALFARO OF PANAMA. WE ALSO ARE NEGOTIATING WITH GUATEMALA AND THE 13-NATION, ENGLISH SPEAKING CARIBBEAN COMMUNITY.

LAST WEEK, AMB. HILLS ALSO JOINED REPRESENTATIVES OF ARGENTINA, BRAZIL, PARAGUAY AND URUGUAY IN SIGNING THE ROSE GARDEN AGREEMENT, THE FIRST REGIONAL FRAMEWORK ACCORD UNDER THE ENTERPRISE FOR THE AMERICAS INITIATIVE. CARLA, YOU'VE BEEN BUSY!

**AMB. HILLS AND HER COUNTERPARTS WILL PULL DOWN
TARIFF AND NONTARIFF TRADE BARRIERS, PROTECT PATENTS
AND INTELLECTUAL PROPERTY, STRENGTHEN INVESTMENT
ENVIRONMENTS AND MAKE IT POSSIBLE FOR FIRMS TO
REPATRIATE THEIR PROFITS. IN SHORT, WE WILL BUILD A
SOLID FOUNDATION FOR ECONOMIC COOPERATION AND
PROSPERITY.**

**WE ALSO HAVE BEGUN MAKING OUR HEMISPHERE MORE
HOSPITABLE TO INVESTMENT.**

- 8 -

**THE INTER-AMERICAN DEVELOPMENT BANK HAS APPROVED ITS
FIRST INVESTMENT SECTOR LOAN -- \$150 MILLION TO CHILE.
MINISTER FOXLEY AND PRESIDENT IGLESIAS COMPLETED
ARRANGEMENTS FOR THIS LOAN TODAY. //**

**PRESIDENT IGLESIAS, I WANT TO THANK YOU AND
CONGRATULATE EVERYONE AT THE I.D.B. FOR THIS IMPORTANT
STEP, AND WE SHOULD CONGRATULATE CHILE FOR THE
IMPRESSIVE FREE-MARKET REFORMS IT HAS UNDERTAKEN.**

THROUGH THESE LOANS, THE I.D.B. WILL HELP LATIN AMERICA AND THE CARIBBEAN COUNTRIES COMPETE FOR CAPITAL AND EMBRACE REFORMS THAT FOSTER ECONOMIC GROWTH.

FOR YEARS THE WORLD EXPERIMENTED WITH THE FANTASY THAT EXPERTS COULD "MANAGE" ECONOMIES. THE UTTER FAILURE OF COMMUNISM DEMONSTRATED THAT EXPERT CADRES CAN NO MORE MANAGE GROWTH THAN THEY CAN MANAGE THE WEATHER. FREE MARKETS REWARD PEOPLE WHO HAVE IDEAS -- NOT JUST THOSE WHO HAVE CONNECTIONS.

THEY ALLOW POOR PEOPLE TO BECOME RICH. THEY MAKE POSSIBLE UNPRECEDENTED LEVELS OF SOCIAL MOBILITY. THEY MEAN JOBS. THEY TEACH PEOPLE HARD STUDY, HARD WORK, AND COMMITMENT TO OTHERS PRODUCE REAL WEALTH.

I'M ALSO PLEASED TO REPORT THAT OUR PROPOSAL FOR A 1.5 BILLION DOLLAR MULTILATERAL INVESTMENT FUND HAS GOTTEN OFF TO A GREAT START. JAPAN HAS PLEDGED 100 MILLION DOLLARS FOR EACH OF THE NEXT FIVE YEARS.

CANADA, FRANCE, PORTUGAL AND SPAIN HAVE EXPRESSED INTEREST IN SUPPORTING THE FUND, WHICH WILL PROVIDE TARGETED SUPPORT FOR COUNTRIES THAT UNDERTAKE THE DIFFICULT REFORMS NECESSARY TO ENCOURAGE INVESTMENT AND STIMULATE FREE ENTERPRISE.

PILLAR THREE OF OUR PROPOSAL, DEBT REDUCTION, ALSO HAS GOTTEN OFF TO A ROUSING START.

FIVE NATIONS ALREADY HAVE NEGOTIATED FAR-REACHING REDUCTIONS IN COMMERCIAL DEBT THROUGH THE PROVISIONS OF THE BRADY PLAN, AND OTHER NATIONS WILL TAKE ADVANTAGE OF THE PLAN AS THEIR ECONOMIC REFORMS TAKE SHAPE.

CONGRESS HAS AGREED TO REWARD ECONOMIC REFORM AND TRADE LIBERALIZATION BY REDUCING A PORTION OF A NATION'S DEBT -- THE FOOD ASSISTANCE LOANS CONTRACTED UNDER PUBLIC LAW 480.

CONGRESS ALSO SUPPORTED OUR RECOMMENDATION TO USE INTEREST ON REMAINING DEBT FOR GRASS-ROOTS ENVIRONMENTAL PROJECTS. THIS AMBITIOUS, INNOVATIVE PLAN ALREADY HAS PRODUCED RESULTS.

TODAY THE UNITED STATES WILL SIGN AN AGREEMENT WITH CHILE, SLASHING CHILE'S PL 480 DEBT 40 PERCENT, TO 23 MILLION DOLLARS. THIS IS THE FIRST EXAMPLE OF BILATERAL DEBT REDUCTION UNDER EAI.

WE LOOK FORWARD TO REACHING AN UNDERSTANDING SOON ON THE ENVIRONMENTAL COMPONENT OF THIS AGREEMENT.

NOW, LET'S TALK ABOUT WHAT LIES AHEAD. AS YOU KNOW, CONGRESS RECENTLY VOTED NOT TO TERMINATE THE FAST-TRACK TRADE PROCEDURES THAT ENABLE US TO DEAL IN GOOD FAITH WITH YOU -- AND WITH CONGRESS -- IN TRADE NEGOTIATIONS. OUR GOAL IS TO CREATE A FREE TRADE ZONE THAT WILL COVER ALL OF NORTH AMERICA.

THIS TRADE ZONE -- 360 MILLION CONSUMERS AND MARKETS THAT PRODUCE MORE THAN \$6 TRILLION IN ANNUAL OUTPUT -- WILL SET THE STAGE FOR SOMETHING EVEN MORE DRAMATIC -- A HEMISPHERIC ZONE OF FREE TRADE.

THE ENTERPRISE FOR THE AMERICAS INITIATIVE CAN LINK OUR NATIONS, WITH THEIR DIVERSE CULTURES, WORKFORCES, CREATIVE FORCES. I KNOW SOME HAVE WORRIED THAT THE E.A.I. MIGHT INDICATE A REDUCTION IN OUR COMMITMENT TO THE MULTILATERAL TRADING SYSTEM.

NOT SO: WE REMAIN FULLY DETERMINED TO MAKE THAT SYSTEM WORK.

INDEED, AS PART OF THE URUGUAY ROUND, WE HAVE JOINED OUR LATIN AMERICAN AND CARIBBEAN ALLIES IN TRYING TO PULL DOWN PROTECTIONIST BARRIERS IN EUROPE AND ASIA. I WANT TO STRESS THE IMPORTANCE OF REACHING A SUCCESSFUL CONCLUSION TO THE ROUND. IT CAN ESTABLISH A BASIS FOR WORLDWIDE FREE AND FAIR TRADE. WITHOUT IT, WE WILL HAVE GREAT DIFFICULTY MOVING FORWARD.

WE LIVE IN AN EXTRAORDINARY PLACE AT AN EXTRAORDINARY TIME. WHEN CUBA EMBRACES DEMOCRACY, OURS BECOME THE WORLD'S FIRST FULLY DEMOCRATIC HEMISPHERE.//

THIS IS NO ACCIDENT OF HISTORY. FROM THE NORTHERN TIP OF ALASKA TO THE SOUTHERNMOST POINT OF TIERRA DEL FUEGO, WE SHARE COMMON HERITAGES. OUR PEOPLE CAN TRACE THEIR ROOTS TO ALL THE NATIONS OF THE WORLD. WE SHARE TIES OF CULTURE, OF BLOOD, OF COMMON INTEREST.

AND NOW, AS DEMOCRACY SWEEPS THE WORLD, WE SHARE THE CHALLENGE OF LEADERSHIP THROUGH EXAMPLE.

WE CAN LEAD THE WAY TO A WORLD FREED FROM SUSPICION, FROM MERCANTILIST BARRIERS, FROM SOCIALIST INEFFICIENCIES. WE CAN SHOW THE WORLD HOW PROSPERITY PRESERVES THE SOCIAL ORDER -- AND THE LAND, AIR, AND WATER AS WELL. WE CAN SHOW THE REST OF THE WORLD THAT DEREGULATION, RESPECT FOR PRIVATE PROPERTY, LOW TAX RATES AND LOW TRADE BARRIERS CAN PRODUCE VAST ECONOMIC RETURNS.

WE CAN SHOW THE REST OF THE WORLD HOW TO BUILD UPON EACH OTHER'S STRENGTHS, RATHER THAN PREYING UPON WEAKNESSES.

TODAY, I PLEDGE MY FULL EFFORT TO MAKE THE ENTERPRISE FOR THE AMERICAS INITIATIVE A REALITY. I URGE CONGRESS TO PASS PROMPTLY THE LEGISLATION NECESSARY TO ENACT E.A.I. THIS INCLUDES DEBT-REDUCTION AUTHORITY AND AUTHORITY FOR THE UNITED STATES TO CONTRIBUTE ITS SHARE TO THE MULTILATERAL INVESTMENT FUND.

IN 1876, THE BRAZILIAN EMPEROR DOM PEDRO II VISITED THE UNITED STATES. DURING A STOP IN ST. LOUIS, HE NOTICED THAT LOCAL CRAFTSMEN WERE USING ONLY THE STURDIEST MATERIALS IN BUILDING A CUSTOMS HOUSE. THE EMPEROR WAS STUNNED. "BUT AN IRON BUILDING WOULD LAST 400 YEARS," HE NOTED. "YOU DO NOT MEAN TO TELL ME THAT THERE WILL BE ANY CUSTOM HOUSES IN 400 YEARS." //

WE MEET TODAY TO HONOR DOM PEDRO'S VISION OF A HEMISPHERE SHORN OF CUSTOMS HOUSES AND JAMMED WITH THRIVING MARKETS.

IF WE CAN BUILD A HEMISPHERE DEVOTED TO FREEDOM, ONE THAT PREFERS ENTERPRISE TO ENVY, WE WILL CREATE OUR OWN NEW WORLD ORDER.

WE HAVE WORKED MIRACLES IN ONE YEAR; LET US SHAPE A REVOLUTION IN THE NEXT. TOGETHER, WE CAN MAKE OUR HEMISPHERE FREEDOM'S FIRST AND BEST HOME. THANK YOU, AND GOD BLESS YOU.

NOW I WOULD LIKE TO ASK SECRETARY BRADY AND MINISTER FOXLEY TO SIGN THE DEBT REDUCTION AGREEMENT FOR CHILE -- AND FOLLOWING THAT, AMBASSADOR HILLS TO SIGN FRAMEWORK AGREEMENTS FOR TRADE AND INVESTMENT WITH MINISTER DEFranco OF NICARAGUA AND MINISTER ALFARO OF PANAMA.

#



United States Department of State

Washington, D.C. 20520

91 JUN 24 P5: 11

DATE June 24

FACSIMILE TRANSMITTAL SHEET

PLEASE DELIVER TO:

NAME Jerry Snow

OFFICE _____

ROOM NO. _____

TELEPHONE NO. 456-6218

NUMBER OF PAGES ATTACHED 3

FROM:

NAME ~~Anna~~ Bernie Aronson

OFFICE _____

TELEPHONE NO. 647-5780

COMMENTS:

One year ago today, I announced my Enterprise for the Americas Initiative. The EAI was not developed in isolation in Washington. It was born out of an authentic and a continuing dialogue from which I have benefited enormously as President with the leaders of Latin America and the Carribean.

At the hemispheric summit I attended in San Jose in October 1989, at the Cartejena summit the following February, and at the countless meetings I have participated in with leaders of the Americas I heard both a common hope expressed and a common concern.

My fellow heads of state told me that they want to replace the "lost decade" of the 1980's with a decade of renewed hope and economic growth in the 1990's in which all of the citizens of the hemisphere, particularly the poor, can share. They said they are committed to strip away the barriers to trade and investment and growth that have shackled the energies of their citizens for too long and open their economies to new opportunities.

They urged the United States to help build this more hopeful future--not with massive assistance programs--but with renewed support for trade, investment, and debt reduction. But they also expressed the fear that the United States might somehow turn its attention and energies elsewhere in the world and ignore the Americas at this moment of maximum challenge and opportunity.

My friends as long as I am President, the United States will never make that historic mistake. Just the opposite. As a nation, we are re-engaging with our friends and partners in the Americas as never before.

For this generation of leaders in the Americas, north and south, share a common vision. Together, we are building something the world has never seen before: the first completely democratic hemisphere. At the General Assembly of the OAS held earlier this month in Santiago, for the first time in history, every nation chose its government through free and fair elections. Cuba, alone, stands isolated against the democratic tide.

But our common vision is broader still. For we are also building a new relationship among the developed and developing nations throughout the Americas, an authentic

partnership in which trade is free from Alaska to Tierra del Fuego--a partnership in which new prosperity, growth, and rising incomes, --can help all our citizens share in the fullness of life to the best of their abilities.

My Enterprise for the Americas Initiative was a concrete response to the hopes and dreams I heard during my first year as President from the leaders of this hemisphere. One year after its announcement, I am pleased to say we are well on the way to making this vision a reality.

We have embarked, with the support of Congress, on historic negotiations to create a North American Free Trading zone uniting the 360 citizens of Canada, Mexico, and the United States. This vision of free trade has re-energized the age-old dream of economic integration throughout the Americas.

One week after my EAI announcement, the leaders of the southern cone announced they would cut in half their deadline for negotiating a common market uniting Brazil, Argentina, Paraguay, and Uruguay, now scheduled for 1991. Just last week, during President Collor de Mello's State Visit, Ambassador Carla Hills and the foreign ministers of the four southern cone nations signed "The Rose Garden Agreement" the first regional Framework Agreement on Trade and Investment under the EAI. Since last June, we have negotiated bilateral Framework Agreements on Trade and Investment with: Chile, Ecuador, Peru, Venezuela, Colombia, Honduras, Costa Rica, and El Salvador. Today, we will sign agreements with _____. A regional agreement with Caricom--the Caribbean Community--is well on its way as well. And the nations of the Andean Pact have pledged to establish a common external tariff by 1992.

On the investment front, we are making major progress also. Under EAI, we proposed to create a new, \$1.5 billion Multi-Lateral Investment Fund in the Inter-American Development Bank to assist nations in the Americas streamline and reform their investment regimes. I am proud to report today that we are well on our way to meeting that commitment. Japan has pledged to contribute \$500 million over the next five years. Canada, France, _____ (check with Treasury for full list) have also pledged to participate. And the Congress has agreed to my request for full funding in fiscal 1992. Today, we witness the first investment loan under IDB to Chile whose economic reforms and performance offer a model of hope and achievement to all nations in the hemisphere.

We are moving as well on the third pillar of the EAI--reduction of official debt. Under the Brady Plan, four nations--Mexico, Venezuela, Costa Rica, and Uruguay have already negotiated far-reaching reductions in their debt burdens with their commercial creditors. As other nations in the region make progress on economic reform, we expect they too will benefit under the Brady Plan. Now under EAI, the nations of the hemisphere can also reduce their burden of official debt and turn their interest payment into local resources to restore their natural environment. Today, we sign the first debt reduction agreement under the EAI. It (describe details, including environmental project, if known).

We are now moving forward on all three pillars of the EAI--trade, investment, and debt reduction. But I want that pace to accelerate. I hope the leaders of the Congress give this initiative their full support. A growing prosperous Latin American and the Caribbean is a natural market for American exports of manufactured goods and agricultural products. Thus, the Enterprise for the Americas Initiative also means new jobs and rising incomes for the citizens of the United States. It merits and needs the full support of the Congress, particularly my proposals for reducing debt.

For those who believe in both political and economic freedom this is a moment of historic opportunity and new hope in the Americas. I am determined to seize that opportunity and to see those hopes fulfilled, and on this first anniversary of the Enterprise for the Americas Initiative, I believe we are on our way. Thank you.

THE WHITE HOUSE


WASHINGTON

June 26, 1991

91 JUN 26 PM 7:10

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW 

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

Snow/Cawley
June 26, 1991
Draft Two
EAI.TS

**PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN**

Secretary Brady, Ambassador Hills. Minister Foxley of Chile, Minister DeFranco of Nicaragua, Minister Alfaro of Panama. I could not be more pleased to have you all join me up here today. And look at this audience!

My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that threatens so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed nine bilateral framework agreements for trade and investment: with Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela. Make that eleven agreements: Today, Amb. Hills will sign bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Alfaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first so-called sectoral loan -- \$150 million loan to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible unprecedented levels of social mobility. They teach people that

good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Today the United States will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I cannot stress enough the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, ours has become the world's first fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund. We will spare no effort in trying to reach an acceptable GATT conclusion. We will fight for free and fair trade -- everywhere.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a

customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now I would like to ask Secretary Brady and Minister Foxley to sign the debt reduction agreement for Chile -- and following that, Ambassador Hills to sign a framework agreement for trade and investment with Minister DeFranco of Nicaragua and Minister Alfaro of Panama.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: June 25, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. 06/26

SUBJECT: PRESIDENTIAL REMARKS: ENTERPRISE FOR THE AMERICAS INITIATIVE
(06/25 Draft one)

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMEYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, X2930, no later than 2:00 p.m., Wednesday, June 26, with a copy to this office. Thank you.

MASTER

RESPONSE:

See comments. Thanks.
 Holly Williamson
 6-26-91

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

Snow/Cawley
June 25, 1991
Draft One
EAI.TS

91 JUN 25 PM 7:12

PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN

Secretary Brady, Ambassador Hills, Minister Foxley of Chile;
Minister DeFranco of Nicaragua, Minister Alfaro of Panama; I
could not be more pleased to have you all join me up here today.
Look at this distinguished audience!

Secretary Baker, welcome back -- for now. My good friend,
Secretary Mosbacher. Fred Zeder, John Macomber, Enrique Iglesias
of the Inter-American Development Bank. Ambassadors from the
Organization of American States, other members of the diplomatic
corps. Members of Congress -- my warmest greetings to all of you
on this historic day. (Representatives of the private sector)

I know most of you are happy that I can't muster even warmer
greetings. 90 degrees ought to be enough for anyone. //

We've come here today to celebrate the first anniversary of
our Enterprise for the Americas Initiative. Frankly, the best
way to celebrate is to push the initiative even further.

We thought we had set some pretty ambitious goals last year,
when we announced the three-part EAI. We vowed to encourage free
trade, stimulate investment throughout the hemisphere, and reduce
the debt burden that threatens so many of our neighbors and
colleagues. But we may actually have set our sights too low.

The EAI was not developed in isolation in
Washington. It was born out of a dialogue
with leaders of Latin America and the Caribbean
from which I have benefitted greatly -NSR

Secretary
Mosbacher
needs to
be
mentioned
also.

(COCA)

Latin America
and the
Caribbean

Page 2:

Treasury change

Replace First Paragraph with:

"Concrete steps are being taken toward the vision of hemispheric free trade. In just one year, we have signed nine agreements which set up the framework for consultation on trade and investment issues. Such agreements are now in place with a large group of our hemispheric friends: Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Peru, Venezuela, and the "southern cone" countries of Argentina, ~~Brazil~~, Paraguay, and Uruguay. Additional framework agreements are being signed today with Nicaragua and Panama. *we are negotiating agreements with Guatemala and the Caribbean community (CARICOM) composed of 13 English-speaking Caribbean nations. We hope to sign both of these agreements soon.*

replace
w/
free trade
(takes
care of
USITC
changes
also)

In just one year, we have signed a ^{nine} ~~dozen~~ agreements under
EAI -- and we will announce ^{two} ~~three~~ more today. We have concluded
nine separate ^{bilateral (NSC)} framework agreements ^{for trade and investment. (NSC)}
^{which (NSC)} These agreements create councils charged with ^{finding ways to (Porter)} dismantling
^{promoting (NSC)} barriers to trade and investment. The United States already has
signed ^(NSC) a series of agreements with ^(a large group) of our
hemispheric friends: Bolivia, ~~Brazil~~, Chile, Colombia, Costa
Rica, Ecuador, El Salvador, Honduras, Mexico, Peru, Venezuela and
the "southern cone" countries of Argentina, Brazil, Paraguay and
Uruguay.

Replace second paragraph with our national interest

Page 2
2nd
graph
reassess
insert
(what takes
care of all
other
changes we
received on
this graph.)

"On the investment front, the drive to attract investment to
Latin America and the Caribbean is well underway. Today, the
Inter-American Development Bank and the Government of Chile have
signed the IDB's first sector loan -- of \$150 million -- to support
the opening of investment regimes. President Iglesias, I want to
thank you and congratulate everyone at the IDB for this very
important move. Through these loans, the IDB will help Latin
American and Caribbean countries to compete for capital. The goal
is simple: to promote reforms that help foster economic growth."

... important move.
... these agreements, the IDB will support efforts to replace
old mercantilist or socialist economic systems with free market
systems. ^{Chile has already done so + can point to high levels of} Our simple goal: We want to promote the economic ^{domestic +}
reforms that help foster economic growth and encourage ^{foreign} investment to demon-
environmental stewardship. ^{throughout (NSC) | strate the success of}
^{the hemisphere.} ^{market}

For years the world experimented with the fantasy that its open
councils of experts could "manage" economies. The utter failure
of communism demonstrated that expert cadres can no more manage
growth than they could manage the weather. Free markets reward
people who have ideas -- not just those who have connections.

market
politics.
(NSC)

*Treasury
Change*

In the third sentence, first paragraph: add Portugal to the list of countries interested in supporting the Fund.

Replace the fourth sentence, first paragraph with:

"This Fund will provide targeted support for countries undertaking difficult reforms -- reforms that will not only draw in investors but help spread the benefits of free market economics throughout the hemisphere."

Replace paragraphs 2, 3, and 4 with:

"We can also announce progress today in implementing the third pillar of the Initiative, debt reduction. Our idea is simple: we want to reduce the debt owed to us by our Latin American and Caribbean neighbors in support of substantial and permanent economic reforms.

Congress has agreed to reduce a portion of this debt -- the food assistance loans contracted under Public Law 480. Congress also supported our proposal that the interest on remaining debt go to fund grass roots environmental projects.

The first debt reduction agreement under this approach is being signed today, with Chile. Chile's food assistance debt to the United States will be reduced by 40 percent, to 23 million dollars. We also look forward to reaching an understanding with Chile on the environmental component."

In fifth paragraph, third sentence: replace "we hope" with "our aim is".

I'm also pleased to report that my proposal for ~~a~~ ^{our (McClure)} Multilateral Investment Fund has gotten off to a great start. Japan has pledged \$100 million for each of the next five years. France, Spain and Canada also have expressed interest in supporting the fund. This fund, like the ~~sectoral~~ ^{investment's (NSC)} loans from ~~the~~ ^{(NSC) inefficient protectionist} IDB, will help nations throw off the shackles of ~~authoritarian or totalitarian~~ economic systems, and let people throughout our hemisphere enjoy the ~~thrills and the blessings of~~ ^{freedom (Boskin)} open economic competition.

Pillar three of our proposal, ~~debt~~ ^{food + (NSC)} reduction, also has gotten off to a rousing start. Our idea is simple: We will do all we can to reduce the debt burden of nations that adopt substantial, permanent economic reform.

We continue to work with Congress on a plan... ^(Porter) ~~Congress has agreed to reduce the debt burden of nations~~ ^(McClure) that liberalize their trade and investment rules, and ~~has set~~ ^(Porter) ~~aside a fund~~ ^{set (McClure)} to finance environmental projects. ^{Part of (Porter)}

^{to allow them to use interest payments (NSC)} ~~aside a fund~~ ^{NSC} to finance ^{local (NSC)} environmental projects. ^{in place and (Porter)} This ambitious, innovative plan ^{is} already has produced results, ^{by helping to restore investor confidence in countries with high debt. (NSC)}

Today the United States will sign a debt-reduction agreement with Chile, ^{Chilean (Boskin)} slashing its debt under Public Law 480 by 40 percent, to 23 million dollars. ^{Minister Foxley, your country's democratic and economic achievements are admirable.} ^{I congratulate you + your countrymen. (NSC)}

Now, let's talk about what lies ahead. As you know, Congress recently extended the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. ^{Our goal is} ~~We hope~~ to create a free trade zone that will cover all of North America, ~~within the next few years.~~ But this trade zone -- which will embrace 360 million consumers and

✓ (EPC)
✓ (EPC)

Insert:

I know there is concern in some quarters that our vision for this hemisphere will mean a reduction in our commitment to the multilateral trading system. Let me assure you that this will not happen ^{more than (Porter)} ^(Bostwick)

markets that produce \$6 trillion in annual output -- simply will set the stage for something even more dramatic. ^{-- a hemispheric zone of open trade} The Enterprise for the Americas initiative can link our entire hemisphere, with its diverse cultures, workforces, creative forces. ✓ (EPIC)

We already have joined forces in the Uruguay Round (NSC) ~~GATT~~ talks, trying to pull down protectionist barriers in Europe and Asia. I cannot stress enough the importance of ^{successfully concluding the Uruguay Round} ~~reaching a GATT agreement that~~ will provide the foundation for worldwide free and fair trade. ^{substantial (NSC)} Without ~~GATT~~, we will have great difficulty moving forward. ^{a comprehensive Uruguay Round Agreement. (NSC)} ✓ (USIA)

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, our hemisphere stands poised to become the first fully democratic hemisphere in human history.

From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their heritages to ^{all countries in the world (NSC)} ~~(Spain, Portugal, Germany, Italy, Turkey, China, Japan, England, the Arab world)~~ -- and of course, to this continent itself. ~~Many of your leaders have taken college degrees here, and many of our finest experts have studied on your soil.~~ We share ties of culture, of blood, of common interest. ✓ (EPIC)

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own ^{hemisphere} ~~commonwealth~~ of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that ✓ (EPIC)

✓ (DOC)

deregulation, ^{respect for} private property, low tax rates, and low trade barriers can produce vast economic returns. And we can show the rest of the world how neighbors can compete in ways that build upon each other's strengths, rather than preying upon their weaknesses.

✓ (DOC)

✓ (COA + See insert next page)

Today, I pledge my full effort to uphold the United States' part of the EAI bargain. I will lobby hard to ensure that we contribute our \$100 million share this year to the Multilateral Investment fund, ^{WORK (McClure) NSC} and ^{annual (NSC)} ^{together will (DARMAN)} ^{framework (NSC)} ^{And I hope the members of Congress here} ^(Boskin) ^{will do the same.} ^(NSC) assure you that we will spare no effort in ^{to the Uruguay Round in the GATT.} ^{reaching an acceptable ~~GATT~~ conclusion.} I assure you that we will fight for free and fair trade -- everywhere. ^{NSC Insert}

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years." Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere ^{filled (Boskin)} ^{filled with wide variety of goods} ^{produced & freely exchanged therein} shorn of customs houses and ^{and trade zones} jammed with shops. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; ^{(it can build a hemisphere in which envy will step aside to give way to which envy will step aside for the benefit of the necessary fits that come with onrushing enterprise (ambition))} ~~hemisphere in which envy must step aside to~~ for onrushing

✓ (DOC)

✓ Doc

→ I will work to gain the necessary Congressional authorization and appropriation to reduce debt. (DARMAN)

ing enterprise (ambition)

(page 5, 1st para.)

Today, I pledge my full effort to making the Enterprise for the Americas Initiative a reality. And I urge Congress to act promptly to enact all remaining pieces of legislation needed to implement the initiative, including remaining debt reduction authority and authority for the United States to contribute to the Multilateral Investment Fund. I also assure you that...

Insert A on page 5

A growing, prosperous Latin America and Caribbean is a natural market for American exports of manufactured goods and agricultural products. Thus, the Enterprise for the Americas Initiative also means new jobs and rising incomes for the citizens of the United States.

NSC
Insert

(Boston)
enterprise, we can create our own New World order. *Let us shape*
~~We can build~~
a future of prosperity in the ones that follow.
~~a legacy of real prosperity, stability, and harmony.~~

✓
(Treas)

We have worked miracles in one year; let us shape a
revolution in the next. Together, we can make our hemisphere
freedom's first and best home. Thank you, and God bless you.

Now, I would like to ask Minister Foxley, *and Secretary Brady* Minister DeFranco,

~~Minister Alfaro; Secretary Brady and Ambassador Hills to step~~
~~forward as they sign a debt reduction agreement with Chile; a~~
~~framework trade agreement with Nicaragua and a framework trade~~
~~agreement with Panama.~~
to the and following that,
Ambassador Hills and Minister DeFranco, and Minister Alfaro
to sign a framework trade agreement with Nicaragua
and a framework trade agreement with Panama.

✓
(COCA)

#

Delete (Nsc) Signing before remarks.

SECRETARY BRADY, AMBASSADOR HILLS. MINISTER FOXLEY OF CHILE, MINISTER DEFranco OF NICARAGUA, MINISTER ALFARO OF PANAMA. I COULD NOT BE MORE PLEASED TO HAVE YOU ALL JOIN ME UP HERE TODAY. AND LOOK AT THIS AUDIENCE!

MY GOOD FRIEND, SECRETARY MOSBACHER; SECRETARY MADIGAN, ADMINISTRATOR REILLY -- IT'S GOOD TO SEE YOU HERE.

- 2 -

GREETINGS ALSO TO LARRY EAGLEBURGER, DEPUTY SECRETARY OF STATE; RON ROSKENS, A.I.D. ADMINISTRATOR; FRED ZEDER FROM O.P.I.C.; JOHN MACOMBER OF THE EXIMBANK; MEMBERS OF CONGRESS; AND REPRESENTATIVES OF THE PRIVATE SECTOR. THIS LARGE AND DISTINGUISHED GROUP OF AMERICANS ILLUSTRATES VIVIDLY OUR COMMITMENT TO BUILDING A BETTER, MORE PROSPEROUS HEMISPHERE.

WE'RE ALSO PLEASED TO HAVE WITH US ENRIQUE IGLESIAS OF THE INTER-AMERICAN DEVELOPMENT BANK; AMBASSADORS FROM LATIN AMERICA AND THE CARIBBEAN, FROM THE ORGANIZATION OF AMERICAN STATES, OTHER MEMBERS OF THE DIPLOMATIC CORPS. TO EVERYONE HERE: MY WARMEST GREETINGS TO YOU ON THIS HISTORIC DAY.

I THINK YOU'LL AGREE -- THIS COUNTS AS A WARM GREETING. // I'LL BET YOU'RE GLAD I DIDN'T TRY FOR ANYTHING WARMER. //

WE'VE COME HERE TODAY TO CELEBRATE THE FIRST ANNIVERSARY OF OUR ENTERPRISE FOR THE AMERICAS INITIATIVE. AS YOU KNOW, THE INITIATIVE GREW OUT OF TALKS BETWEEN MANY OF US. I HEARD MANY OF YOUR CONCERNS ABOUT BUILDING A PROSPEROUS HEMISPHERE -- OF THROWING OFF THE DEADENING WEIGHT OF DEBT AND ECONOMIC STAGNATION AND BUILDING STRONG TIES OF IDEALISM AND SELF-INTEREST.

WITH THE ENTERPRISE FOR THE AMERICAS INITIATIVE, WE VOWED TO ENCOURAGE FREE TRADE, STIMULATE INVESTMENT, AND REDUCE THE DEBT BURDEN THAT OVERWHELMS SO MANY OF OUR NEIGHBORS AND COLLEAGUES.

WE HAVE MADE GREAT PROGRESS. IN JUST ONE YEAR WE HAVE SIGNED EIGHT BILATERAL FRAMEWORK AGREEMENTS FOR TRADE AND INVESTMENT: WITH CHILE, COLOMBIA, COSTA RICA, ECUADOR, EL SALVADOR, HONDURAS, PERU AND VENEZUELA.

- 6 -

MAKE THAT TEN AGREEMENTS: TODAY, AMB. HILLS WILL SIGN BILATERAL FRAMEWORK AGREEMENTS WITH MINISTER DEFranco OF NICARAGUA AND MINISTER ALFARO OF PANAMA. WE ALSO ARE NEGOTIATING WITH GUATEMALA AND THE 13-NATION, ENGLISH SPEAKING CARIBBEAN COMMUNITY.

LAST WEEK, AMB. HILLS ALSO JOINED REPRESENTATIVES OF ARGENTINA, BRAZIL, PARAGUAY AND URUGUAY IN SIGNING THE ROSE GARDEN AGREEMENT, THE FIRST REGIONAL FRAMEWORK ACCORD UNDER THE ENTERPRISE FOR THE AMERICAS INITIATIVE. CARLA, YOU'VE BEEN BUSY!

**AMB. HILLS AND HER COUNTERPARTS WILL PULL DOWN
TARIFF AND NONTARIFF TRADE BARRIERS, PROTECT PATENTS
AND INTELLECTUAL PROPERTY, STRENGTHEN INVESTMENT
ENVIRONMENTS AND MAKE IT POSSIBLE FOR FIRMS TO
REPATRIATE THEIR PROFITS. IN SHORT, WE WILL BUILD A
SOLID FOUNDATION FOR ECONOMIC COOPERATION AND
PROSPERITY.**

**WE ALSO HAVE BEGUN MAKING OUR HEMISPHERE MORE
HOSPITABLE TO INVESTMENT.**

**THE INTER-AMERICAN DEVELOPMENT BANK HAS APPROVED ITS
FIRST INVESTMENT SECTOR LOAN -- \$150 MILLION TO CHILE.
MINISTER FOXLEY AND PRESIDENT IGLESIAS COMPLETED
ARRANGEMENTS FOR THIS LOAN TODAY. //**

**PRESIDENT IGLESIAS, I WANT TO THANK YOU AND
CONGRATULATE EVERYONE AT THE I.D.B. FOR THIS IMPORTANT
STEP, AND WE SHOULD CONGRATULATE CHILE FOR THE
IMPRESSIVE FREE-MARKET REFORMS IT HAS UNDERTAKEN.**

THROUGH THESE LOANS, THE I.D.B. WILL HELP LATIN AMERICA AND THE CARIBBEAN COUNTRIES COMPETE FOR CAPITAL AND EMBRACE REFORMS THAT FOSTER ECONOMIC GROWTH.

FOR YEARS THE WORLD EXPERIMENTED WITH THE FANTASY THAT EXPERTS COULD "MANAGE" ECONOMIES. THE UTTER FAILURE OF COMMUNISM DEMONSTRATED THAT EXPERT CADRES CAN NO MORE MANAGE GROWTH THAN THEY CAN MANAGE THE WEATHER. FREE MARKETS REWARD PEOPLE WHO HAVE IDEAS -- NOT JUST THOSE WHO HAVE CONNECTIONS.

THEY ALLOW POOR PEOPLE TO BECOME RICH. THEY MAKE POSSIBLE UNPRECEDENTED LEVELS OF SOCIAL MOBILITY. THEY MEAN JOBS. THEY TEACH PEOPLE HARD STUDY, HARD WORK, AND COMMITMENT TO OTHERS PRODUCE REAL WEALTH.

I'M ALSO PLEASED TO REPORT THAT OUR PROPOSAL FOR A 1.5 BILLION DOLLAR MULTILATERAL INVESTMENT FUND HAS GOTTEN OFF TO A GREAT START. JAPAN HAS PLEDGED 100 MILLION DOLLARS FOR EACH OF THE NEXT FIVE YEARS.

CANADA, FRANCE, PORTUGAL AND SPAIN HAVE EXPRESSED INTEREST IN SUPPORTING THE FUND, WHICH WILL PROVIDE TARGETED SUPPORT FOR COUNTRIES THAT UNDERTAKE THE DIFFICULT REFORMS NECESSARY TO ENCOURAGE INVESTMENT AND STIMULATE FREE ENTERPRISE.

PILLAR THREE OF OUR PROPOSAL, DEBT REDUCTION, ALSO HAS GOTTEN OFF TO A ROUSING START.

FIVE NATIONS ALREADY HAVE NEGOTIATED FAR-REACHING REDUCTIONS IN COMMERCIAL DEBT THROUGH THE PROVISIONS OF THE BRADY PLAN, AND OTHER NATIONS WILL TAKE ADVANTAGE OF THE PLAN AS THEIR ECONOMIC REFORMS TAKE SHAPE.

CONGRESS HAS AGREED TO REWARD ECONOMIC REFORM AND TRADE LIBERALIZATION BY REDUCING A PORTION OF A NATION'S DEBT -- THE FOOD ASSISTANCE LOANS CONTRACTED UNDER PUBLIC LAW 480.

CONGRESS ALSO SUPPORTED OUR RECOMMENDATION TO USE INTEREST ON REMAINING DEBT FOR GRASS-ROOTS ENVIRONMENTAL PROJECTS. THIS AMBITIOUS, INNOVATIVE PLAN ALREADY HAS PRODUCED RESULTS.

TODAY THE UNITED STATES WILL SIGN AN AGREEMENT WITH CHILE, SLASHING CHILE'S PL 480 DEBT 40 PERCENT, TO 23 MILLION DOLLARS. THIS IS THE FIRST EXAMPLE OF BILATERAL DEBT REDUCTION UNDER EAI.



WE LOOK FORWARD TO REACHING AN UNDERSTANDING SOON ON THE ENVIRONMENTAL COMPONENT OF THIS AGREEMENT.

NOW, LET'S TALK ABOUT WHAT LIES AHEAD. AS YOU KNOW, CONGRESS RECENTLY VOTED NOT TO TERMINATE THE FAST-TRACK TRADE PROCEDURES THAT ENABLE US TO DEAL IN GOOD FAITH WITH YOU -- AND WITH CONGRESS -- IN TRADE NEGOTIATIONS. OUR GOAL IS TO CREATE A FREE TRADE ZONE THAT WILL COVER ALL OF NORTH AMERICA.

Vertical text or stamp on the right side of the page.

THIS TRADE ZONE -- 360 MILLION CONSUMERS AND MARKETS THAT PRODUCE MORE THAN \$6 TRILLION IN ANNUAL OUTPUT -- WILL SET THE STAGE FOR SOMETHING EVEN MORE DRAMATIC -- A HEMISPHERIC ZONE OF FREE TRADE.

THE ENTERPRISE FOR THE AMERICAS INITIATIVE CAN LINK OUR NATIONS, WITH THEIR DIVERSE CULTURES, WORKFORCES, CREATIVE FORCES. I KNOW SOME HAVE WORRIED THAT THE E.A.I. MIGHT INDICATE A REDUCTION IN OUR COMMITMENT TO THE MULTILATERAL TRADING SYSTEM.

NOT SO: WE REMAIN FULLY DETERMINED TO MAKE THAT SYSTEM WORK.

INDEED, AS PART OF THE URUGUAY ROUND, WE HAVE JOINED OUR LATIN AMERICAN AND CARIBBEAN ALLIES IN TRYING TO PULL DOWN PROTECTIONIST BARRIERS IN EUROPE AND ASIA. I WANT TO STRESS THE IMPORTANCE OF REACHING A SUCCESSFUL CONCLUSION TO THE ROUND. IT CAN ESTABLISH A BASIS FOR WORLDWIDE FREE AND FAIR TRADE. WITHOUT IT, WE WILL HAVE GREAT DIFFICULTY MOVING FORWARD.

**WE LIVE IN AN EXTRAORDINARY PLACE AT AN
EXTRAORDINARY TIME. WHEN CUBA EMBRACES DEMOCRACY, OURS
BECOME THE WORLD'S FIRST FULLY DEMOCRATIC HEMISPHERE.//**

**THIS IS NO ACCIDENT OF HISTORY. FROM THE NORTHERN
TIP OF ALASKA TO THE SOUTHERNMOST POINT OF TIERRA DEL
FUEGO, WE SHARE COMMON HERITAGES. OUR PEOPLE CAN TRACE
THEIR ROOTS TO ALL THE NATIONS OF THE WORLD. WE SHARE
TIES OF CULTURE, OF BLOOD, OF COMMON INTEREST.**

- 18 -

**AND NOW, AS DEMOCRACY SWEEPS THE WORLD, WE SHARE THE
CHALLENGE OF LEADERSHIP THROUGH EXAMPLE.**

**WE CAN LEAD THE WAY TO A WORLD FREED FROM
SUSPICION, FROM MERCANTILIST BARRIERS, FROM SOCIALIST
INEFFICIENCIES. WE CAN SHOW THE WORLD HOW PROSPERITY
PRESERVES THE SOCIAL ORDER -- AND THE LAND, AIR, AND
WATER AS WELL. WE CAN SHOW THE REST OF THE WORLD THAT
DEREGULATION, RESPECT FOR PRIVATE PROPERTY, LOW TAX
RATES AND LOW TRADE BARRIERS CAN PRODUCE VAST ECONOMIC
RETURNS.**

WE CAN SHOW THE REST OF THE WORLD HOW TO BUILD UPON EACH OTHER'S STRENGTHS, RATHER THAN PREYING UPON WEAKNESSES.

TODAY, I PLEDGE MY FULL EFFORT TO MAKE THE ENTERPRISE FOR THE AMERICAS INITIATIVE A REALITY. I URGE CONGRESS TO PASS PROMPTLY THE LEGISLATION NECESSARY TO ENACT E.A.I. THIS INCLUDES DEBT-REDUCTION AUTHORITY AND AUTHORITY FOR THE UNITED STATES TO CONTRIBUTE ITS SHARE TO THE MULTILATERAL INVESTMENT FUND.

IN 1876, THE BRAZILIAN EMPEROR DOM PEDRO II VISITED THE UNITED STATES. DURING A STOP IN ST. LOUIS, HE NOTICED THAT LOCAL CRAFTSMEN WERE USING ONLY THE STURDIEST MATERIALS IN BUILDING A CUSTOMS HOUSE. THE EMPEROR WAS STUNNED. "BUT AN IRON BUILDING WOULD LAST 400 YEARS," HE NOTED. "YOU DO NOT MEAN TO TELL ME THAT THERE WILL BE ANY CUSTOM HOUSES IN 400 YEARS." //

WE MEET TODAY TO HONOR DOM PEDRO'S VISION OF A HEMISPHERE SHORN OF CUSTOMS HOUSES AND JAMMED WITH THRIVING MARKETS.

--

IF WE CAN BUILD A HEMISPHERE DEVOTED TO FREEDOM, ONE THAT PREFERS ENTERPRISE TO ENVY, WE WILL CREATE OUR OWN NEW WORLD ORDER.

WE HAVE WORKED MIRACLES IN ONE YEAR; LET US SHAPE A REVOLUTION IN THE NEXT. TOGETHER, WE CAN MAKE OUR HEMISPHERE FREEDOM'S FIRST AND BEST HOME. THANK YOU, AND GOD BLESS YOU.

- 22 -

NOW I WOULD LIKE TO ASK SECRETARY BRADY AND MINISTER FOXLEY TO SIGN THE DEBT REDUCTION AGREEMENT FOR CHILE -- AND FOLLOWING THAT, AMBASSADOR HILLS TO SIGN FRAMEWORK AGREEMENTS FOR TRADE AND INVESTMENT WITH MINISTER DEFranco OF NICARAGUA AND MINISTER ALFARO OF PANAMA.

#

Cha...CHA

Crocker County

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/27/91 ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: PRESIDENTIAL REMARKS: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

June 26, 1991

91 JUN 26 PM 7:10

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW *TS*

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

91 JUN 27 AM 9:24

Snow/Cawley
June 26, 1991
Draft Three
POTUS.EAI

**PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN**

Secretary Brady, Ambassador Hills. Minister Foxley of Chile, Minister DeFranco of Nicaragua, Minister Alfaro of Panama. I could not be more pleased to have you all join me up here today. And look at this audience!

My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress; and representatives of the private sector. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America ^{AND THE CARIBBEAN} talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that overwhelms so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

- 8

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed ^{Eight} ~~nine~~ bilateral framework agreements for trade and investment: with Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela. ~~Make that eleven agreements:~~ Today, Amb. Hills will sign bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Alfaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first ~~so-called~~ ^{INVESTMENT} sector loan -- \$150 million to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step, and we should congratulate Chile for the impressive free-market reforms it already has undertaken. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible

unprecedented levels of social mobility. They teach people that good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a ^{PROMISING} ~~rousing~~ start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

^{FIVE} ~~Four~~ nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

THE FIRST
REDUCTION
LOAN'S
VERY MODEST

Today Secretary Brady and Minister Foxley will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. This is the first example of bilateral debt reduction under the EAI. ^{AND Minister Pody, Chile's Economic Reforms made this possible.} We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I want to stress the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time.
 With the sad exception of Cuba, ^{When Cuba Turns to Democracy} ours ^{will} ~~has~~ become the world's first fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local

craftsmen were using only the sturdiest materials in building a customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now I would like to ask Secretary Brady and Minister Foxley to sign the debt reduction agreement for Chile -- and following that, Ambassador Hills to sign framework agreements for trade and investment with Minister DeFranco of Nicaragua and Minister Alfaro of Panama.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 06/27/91 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENTIAL REMARKS: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY (06/26 draft two)

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

June 26, 1991

91 JUN 26 PM 7:10

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW *TS*

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

Snow/Cawley
June 26, 1991
Draft Two
EAI.TS

**PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN**

Secretary Brady, Ambassador Hills. Minister Foxley of Chile, Minister DeFranco of Nicaragua, Minister Alfaro of Panama. I could not be more pleased to have you all join me up here today. And look at this audience!

My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that threatens so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed nine bilateral framework agreements for trade and investment: with Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela. Make that eleven agreements: Today, Amb. Hills will sign bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Alfaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first so-called sectoral loan -- \$150 million loan to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible unprecedented levels of social mobility. They teach people that

good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Secretary Baucus & Minister
Foster will

Today ~~the United States will~~ sign an agreement with ~~Chile~~,
slashing Chile's PL 480 debt 40 percent, to 23 million dollars.
We look forward to reaching an understanding soon on the
environmental component of this agreement.

This
is the
first
example
of bilateral
debt
reduction
under
the
EAI.

Now, let's talk about what lies ahead. As you know,
Congress recently voted not to terminate the fast-track trade
procedures that enable us to deal in good faith with you -- and
with Congress -- in trade negotiations. Our goal is to create a
free trade zone that will cover all of North America. But this
trade zone -- 360 million consumers and markets that produce more
than \$6 trillion in annual output -- will set the stage for
something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our
nations, with their diverse cultures, workforces, creative
forces. I know some have worried that the EAI might indicate a
reduction in our commitment to the multilateral trading system.
Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our
Latin American and Caribbean allies in trying to pull down
protectionist barriers in Europe and Asia. I cannot stress
enough the importance of reaching a successful conclusion to the
Round. It can establish a basis for worldwide free and fair
trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time.
With the sad exception of Cuba, ours has become the world's first
fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund. *This authority will enable us to reach our historic* ~~We will spare no effort in trying to reach an acceptable~~ GATT conclusion. *objective.* ~~We will fight for free and fair trade --~~ everywhere.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a

NO GATT
component in
EAI.

customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now I would like to ask Secretary Brady and Minister Foxley to sign the debt reduction agreement for Chile -- and following that, Ambassador Hills to sign a framework agreement for trade and investment with Minister DeFranco of Nicaragua and Minister Alfaro of Panama.

#

Needs to stay in to match briefing paper

THE PRESIDENT HAS SEEN
6/27/91

THE WHITE HOUSE
WASHINGTON
June 26, 1991

91 JUN 26 PM 7:10

Walter
since
1. Fine to
2. Try to
last page, little
plus
page

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW *TS*

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

91 JUN 27 AM 9:24

Snow/Cawley
June 26, 1991
Draft Three
POTUS.EAI

**PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN**

Secretary Brady, Ambassador Hills. Minister Foxley of Chile, Minister DeFranco of Nicaragua, Minister Alfaro of Panama. I could not be more pleased to have you all join me up here today. And look at this audience!

My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress; and representatives of the private sector. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. ~~I can't think of any~~

~~better example of the way in which powerful ideals can create surprising results.~~

That initiative
 The ~~Enterprise for the Americas Initiative~~ grew out of talks between many of us gathered here. I heard many of my friends in Central and South America ^{and the Caribbean} talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that overwhelms so many of our neighbors and colleagues. [~~This sounded wildly ambitious just last year. Today, however, we think of it as a good start.~~]

We have made great progress toward ^{those goals} ~~the goal of hemispheric~~ free-trade. In just one year we have signed ^{Eight} ~~nine~~ bilateral framework agreements for trade and investment: with Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela. ^{Make that ten agreements.} ~~Make that eleven agreements;~~ Today, Amb. Hills will sign bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Alfaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. ~~We hope to sign these agreements soon.~~

Last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

~~But these agreements represent only one facet of the initiative.~~ ^{We've also been busy} ~~On the investment front, our nations have begun~~ making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first ~~so-called~~ ^{* investment} sector loan -- \$150 million to Chile. Minister Foxley and President Iglesias completed arrangements for this loan ~~just~~ today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step, and we should congratulate Chile for the impressive free-market reforms it ~~already~~ ^{has} undertaken. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital, ~~and~~ ^{and} ~~They will~~ encourage reforms that foster economic growth.

For years the world experimented with the fantasy that ~~councils of experts~~ could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible

* ⁴ *my man jobs*
unprecedented levels of social mobility. They teach people that good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund, ^{which} This fund will provide targeted support for countries that ^{adopt} ~~undertake~~ the difficult reforms necessary to encourage investment and stimulate free enterprise.

* Pillar three of our proposal, debt reduction, also has gotten off to a ^{promising} ~~rousing~~ start. ~~We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.~~

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation ^{to divert} ~~that~~ the interest on remaining debt ~~go to fund~~ grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Today Secretary Brady and Minister Foxley will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. ^{Chile's economic reforms made possible that this is} ~~This is the~~ first example of bilateral debt reduction under the EAI. We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I want to stress the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time.
 * ~~With the sad exception of Cuba,~~ ^{When Cuba turns to democracy} ours ^{will} ~~has~~ become the world's first
 fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local

craftsmen were using only the sturdiest materials in building a customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, ~~one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries;~~ ^{promote enterprise, instead of envy} if we ~~can build a~~ hemisphere in the spirit of enterprise buries the temptations of envy, we ^{will} can create our own New World order. We ^{will} can build a legacy of real prosperity, stability, and harmony -- for all our ~~lands.~~

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now I would like to ask Secretary Brady and Minister Foxley to sign the debt reduction agreement for Chile -- and following that, Ambassador Hills to sign framework agreements for trade and investment with Minister DeFranco of Nicaragua and Minister Alfaro of Panama.

#

WHITE HOUSE STAFFING MEMORANDUM

91 JUN 27 P1:23

DATE: 6/27/91 ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: PRESIDENTIAL REMARKS: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

THE WHITE HOUSE

WASHINGTON

June 26, 1991

91 JUN 26 PM 7:10

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW *TS*

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

91 JUN 27 AM 9:24

Snow/Cawley
June 26, 1991
Draft Three
POTUS.EAI

**PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN**

Secretary Brady, Ambassador Hills. Minister Foxley of Chile, Minister DeFranco of Nicaragua, Minister Alfaro of Panama. I could not be more pleased to have you all join me up here today. And look at this audience!

My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress; and representatives of the private sector. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that overwhelms so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed nine bilateral framework agreements for trade and investment: with Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela. Make that eleven agreements: Today, Amb. Hills will sign bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Alfaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first so-called sector loan -- \$150 million to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step, and we should congratulate Chile for the impressive free-market reforms it already has undertaken. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible

unprecedented levels of social mobility. They teach people that good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Today Secretary Brady and Minister Foxley will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. This is the first example of bilateral debt reduction under the EAI. We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I want to stress the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, ours has become the world's first fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local

craftsmen were using only the sturdiest materials in building a customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now I would like to ask Secretary Brady and Minister Foxley to sign the debt reduction agreement for Chile -- and following that, Ambassador Hills to sign framework agreements for trade and investment with Minister DeFranco of Nicaragua and Minister Alfaro of Panama.

#

THE WHITE HOUSE

WASHINGTON

June 26, 1991

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW ^{RS}

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

Snow/Cawley
June 26, 1991
Draft Two
EAI.TS

PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN

Secretary Brady, Ambassador Hills, Minister Foxley of Chile; Minister DeFranco of Nicaragua, Minister Alfaro of Panama; I could not be more pleased to have you all join me up here today. And look at this audience!

Secretary Baker, welcome back -- for now. My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that threatens so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed eight bilateral framework agreements for trade and investment: with Colombia, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela -- on top of our prior accords with Mexico and Bolivia. Make that twelve agreements: Just today, Amb. Hills signed bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Albaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Just last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first so-called sectoral loan -- \$150 million loan to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible unprecedented levels of social mobility. They teach people that

good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Today the United States will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I cannot stress enough the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, ours has become the world's first fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund. We will spare no effort in trying to reach an acceptable GATT conclusion. We will fight for free and fair trade -- everywhere.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a

customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

#

THE WHITE HOUSE

WASHINGTON

June 26, 1991

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: TONY SNOW ^{TS}

SUBJECT: ENTERPRISE FOR THE AMERICAS INITIATIVE ANNIVERSARY

I. SUMMARY

On Thursday, June 27, at 4:00 p.m. you will make remarks honoring the first anniversary of your Enterprise for the Americas Initiative. The event will be held in the Rose Garden, with an audience of 200. Your remarks are approximately twelve minutes in length and will be on speechcards.

You will be joined on stage by Secretary Brady, Ambassador Hills, Minister Foxley of Chile, Minister DeFranco of Nicaragua and Minister Alfaro of Panama. Secretaries Baker, Mosbacher and Madigan will be in the front row of the audience along with Administrator Reilly, Fred Zeder, John Macomber, Enrique Iglesias and a large contingent of foreign and OAS ambassadors.

II. DISCUSSION

Attached for your review are draft remarks to be delivered at the Enterprise for the Americas event. They highlight the advances already being made with the E.A.I. initiative -- in trade, investment and debt reduction. In promising to fight for free and fair trade everywhere, you also urge Congress to pass the remaining legislation for the Initiative.

At the conclusion of your remarks, Secretary Brady and Ambassador Hills will sign new agreements with the Ministers of Chile, Nicaragua and Panama.

Snow/Cawley
June 26, 1991
Draft Two
EAI.TS

PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN

Secretary Brady, Ambassador Hills, Minister Foxley of Chile; Minister DeFranco of Nicaragua, Minister Alfaro of Panama; I could not be more pleased to have you all join me up here today. And look at this audience!

Secretary Baker, welcome back -- for now. My good friend, Secretary Mosbacher; Secretary Madigan, Administrator Reilly -- it's good to see you here. Greetings also to Fred Zeder from OPIC, John Macomber of the EXIMBANK; members of Congress. This large and distinguished group of Americans illustrates vividly our commitment to building a better, more prosperous hemisphere.

We're also pleased to have with us Enrique Iglesias of the Inter-American Development Bank; Ambassadors from Latin America and the Caribbean, from the Organization of American States, other members of the diplomatic corps. To everyone here: My warmest greetings to you on this historic day.

I think you'll agree -- this counts as a warm greeting. //
I'll bet you're glad I didn't try for anything warmer. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. I can't think of any

better example of the way in which powerful ideals can create surprising results.

The Enterprise for the Americas Initiative grew out of talks between many of us gathered here. I heard many of my friends in Central and South America talk about the importance of building a prosperous hemisphere -- of throwing off the deadening weight of debt and economic stagnation. We agreed to forge strong ties of idealism and self-interest.

With the Enterprise for the Americas Initiative, we vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that threatens so many of our neighbors and colleagues. This sounded wildly ambitious just last year. Today, however, we think of it as a good start.//

We have made great progress toward the goal of hemispheric free trade. In just one year we have signed eight bilateral framework agreements for trade and investment: with Colombia, Chile, Costa Rica, Ecuador, El Salvador, Honduras, Peru and Venezuela -- on top of our prior accords with Mexico and Bolivia. Make that twelve agreements: Just today, Amb. Hills signed bilateral framework agreements with Minister DeFranco of Nicaragua and Minister Albaro of Panama. We also are negotiating with Guatemala and the 13-nation, English speaking Caribbean Community. We hope to sign these agreements soon.

Just last week, Amb. Hills also joined representatives of Argentina, Brazil, Paraguay and Uruguay in signing the Rose Garden Agreement, the first regional framework accord under the

Enterprise for the Americas Initiative. Carla, you've been busy!

//

Amb. Hills and her counterparts will work together to pull down tariff and nontariff trade barriers, protect patents and intellectual property, strengthen investment and profit repatriation policies. In short, they will build a solid foundation for economic cooperation and prosperity.

But these agreements represent only one facet of the initiative. On the investment front, our nations have begun making the entire hemisphere more hospitable to investment. The Inter-American Development Bank has approved its first so-called sectoral loan -- \$150 million loan to Chile. Minister Foxley and President Iglesias completed arrangements for this loan just today. //

President Iglesias, I want to thank you and congratulate everyone at the IDB for this important step. Through these loans, the IDB will help Latin America and the Caribbean countries compete for capital. They will encourage reforms that foster economic growth.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they can manage the weather. Free markets reward people who have ideas -- not just those who have connections. They allow poor people to become rich. They make possible unprecedented levels of social mobility. They teach people that

good deeds can indeed pay off, and that the virtues of hard study, hard work, and commitment to others really do produce wealth.

I'm also pleased to report that our proposal for a 1.5 billion dollar Multilateral Investment Fund has gotten off to a great start. Japan has pledged 100 million dollars for each of the next five years. Canada, France, Portugal and Spain have expressed interest in supporting the fund. This fund will provide targeted support for countries that undertake the difficult reforms necessary to encourage investment and stimulate free enterprise.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. We will do all we can to reduce the debt burden of Caribbean and Latin American neighbors who adopt substantial, permanent economic reforms.

Four nations already have negotiated far-reaching reductions in commercial debt through the provisions of the Brady plan, and other nations will take advantage of the plan as their economic reforms take shape.

Congress has agreed to reward economic reform and trade liberalization by reducing a portion nation's debt -- the food assistance loans contracted under Public Law 480. Congress also supported our recommendation that the interest on remaining debt go to fund grass-roots environmental projects. This ambitious, innovative plan already has produced results.

Today the United States will sign an agreement with Chile, slashing Chile's PL 480 debt 40 percent, to 23 million dollars. We look forward to reaching an understanding soon on the environmental component of this agreement.

Now, let's talk about what lies ahead. As you know, Congress recently voted not to terminate the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. Our goal is to create a free trade zone that will cover all of North America. But this trade zone -- 360 million consumers and markets that produce more than \$6 trillion in annual output -- will set the stage for something even more dramatic -- a hemispheric zone of free trade.

The Enterprise for the Americas initiative can link our nations, with their diverse cultures, workforces, creative forces. I know some have worried that the EAI might indicate a reduction in our commitment to the multilateral trading system. Not so: we remain fully determined to make that system work.

Indeed, as part of the Uruguay Round, we have joined our Latin American and Caribbean allies in trying to pull down protectionist barriers in Europe and Asia. I cannot stress enough the importance of reaching a successful conclusion to the round. It can establish a basis for worldwide free and fair trade. Without it, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, ours has become the world's first fully democratic hemisphere.//

This is no accident of history. From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their roots to all the nations of the world. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that deregulation, respect for private property, low tax rates and low trade barriers can produce vast economic returns. We can show the rest of the world how to compete in ways that build upon each other's strengths, rather than preying upon weaknesses.

Today, I pledge my full effort to make the Enterprise for the Americas Initiative a reality. I urge Congress to pass promptly the remaining legislation necessary to enact EAI. This includes debt-reduction authority and authority for the United States to contribute its share to the Multilateral Investment Fund. We will spare no effort in trying to reach an acceptable GATT conclusion. We will fight for free and fair trade -- everywhere.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a

customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in the spirit of enterprise buries the temptations of envy, we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony -- for all our lands.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

#

WHITE HOUSE STAFFING MEMORANDUM

91 JUN 26 A 8:24

DATE: June 25, 1991 ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. 06/26

SUBJECT: PRESIDENTIAL REMARKS: ENTERPRISE FOR THE AMERICAS INITIATIVE
(06/25 Draft one)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH <i>N/C</i>	<input type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMEYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN <i>[initials]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY <i>will be late</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, X2930, no later than 2:00 p.m., Wednesday, June 26, with a copy to this office. Thank you.

RESPONSE:

PHILLIP D. BRADY
 Assistant to the President
 and Staff Secretary
 Ext. 2702

Snow/Cawley
June 25, 1991
Draft One
EAI.TS

91 JUN 25 PM 7:12

PRESIDENTIAL STATEMENT: ENTERPRISE FOR THE AMERICAS INITIATIVE
THURSDAY, JUNE 27, 1991
4:00 P.M.
ROSE GARDEN

Secretary Brady, Ambassador Hills, Minister Foxley of Chile; Minister DeFranco of Nicaragua, Minister Alfaro of Panama; I could not be more pleased to have you all join me up here today. Look at this distinguished audience!

Secretary Baker, welcome back -- for now. My good friend, Secretary Mosbacher. Fred Zeder, John Macomber, Enrique Iglesias of the Inter-American Development Bank. Ambassadors from the Organization of American States, other members of the diplomatic corps. Members of Congress -- my warmest greetings to all of you on this historic day.

I know most of you are happy that I can't muster even warmer greetings. 90 degrees ought to be enough for anyone. //

We've come here today to celebrate the first anniversary of our Enterprise for the Americas Initiative. Frankly, the best way to celebrate is to push the initiative even further.

We thought we had set some pretty ambitious goals last year, when we announced the three-part EAI. We vowed to encourage free trade, stimulate investment throughout the hemisphere, and reduce the debt burden that threatens so many of our neighbors and colleagues. But we may actually have set our sights too low.

In just one year, we have signed a dozen agreements under EAI -- and we will announce three more today. We have concluded nine separate framework agreements for trade and investment. These agreements create councils charged with dismantling barriers to trade and investment. The United States already has signed a series of agreements with a large group of our hemispheric friends: Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Peru, Venezuela and the "southern cone" countries of Argentina, Brazil, Paraguay and Uruguay.

On the investment front, our nations have begun inviting investors to support new business throughout the hemisphere. Today, we can announce that the Inter-American Development Bank has approved its first so-called sectoral loan -- \$150 million loan to Chile. President Iglesias, I want to thank you and congratulate everyone at the IDB for this very important move. Under these agreements, the IDB will support efforts to replace old mercantilist or socialist economic systems with free market systems. Our simple goal: We want to promote the economic reforms that help foster economic growth and encourage environmental stewardship.

For years the world experimented with the fantasy that councils of experts could "manage" economies. The utter failure of communism demonstrated that expert cadres can no more manage growth than they could manage the weather. Free markets reward people who have ideas -- not just those who have connections.

I'm also pleased to report that my proposal for a Multilateral Investment Fund has gotten off to a great start. Japan has pledged \$100 million for each of the next five years. France, Spain and Canada also have expressed interest in supporting the fund. This fund, like the sectoral loans from IDB, will help nations throw off the shackles of authoritarian or totalitarian economic systems, and let people throughout our hemisphere enjoy the thrills and the blessings of open economic competition.

Pillar three of our proposal, debt reduction, also has gotten off to a rousing start. Our idea is simple: We will do all we can to reduce the debt burden of nations that adopt substantial, permanent economic reform.

Congress has agreed to reduce the debt burden of nations that liberalize their trade and investment rules, and has set aside a fund to finance environmental projects. This ambitious, innovative plan already has produced results.

Today the United States will sign a debt-reduction agreement with Chile, slashing its debt under Public Law 480 by 40 percent, to 23 million dollars.

Now, let's talk about what lies ahead. As you know, Congress recently extended the fast-track trade procedures that enable us to deal in good faith with you -- and with Congress -- in trade negotiations. We hope to create a free trade zone that will cover all of North America within the next few years. But this trade zone -- which will embrace 360 million consumers and

markets that produce \$6 trillion in annual output -- simply will set the stage for something even more dramatic. The Enterprise for the Americas initiative can link our entire hemisphere, with its diverse cultures, workforces, creative forces.

We already have joined forces in the GATT talks, trying to pull down protectionist barriers in Europe and Asia. I cannot stress enough the importance of reaching a GATT agreement that will provide the foundation for worldwide free and fair trade. Without GATT, we will have great difficulty moving forward.

We live in an extraordinary place at an extraordinary time. With the sad exception of Cuba, our hemisphere stands poised to become the first fully democratic hemisphere in human history.

From the Northern tip of Alaska to the southernmost point of Tierra del Fuego, we share common heritages. Our people can trace their heritages to Spain, Portugal, Germany, Italy, Turkey, China, Japan, England, the Arab world -- and of course, to this continent itself. Many of your leaders have taken college degrees here, and many of our finest experts have studied on your soil. We share ties of culture, of blood, of common interest. And now, as democracy sweeps the world, we share the challenge of leadership through example.

We can lead the way to a world freed from suspicion, from mercantilist barriers, from socialist inefficiencies by building our own commonwealth of freedom. We can show the world just how prosperity preserves the social order -- and the land, air, and water as well. We can show the rest of the world that

deregulation, private property, low tax rates and low trade barriers can produce vast economic returns. And we can show the rest of the world how neighbors can compete in ways that build upon each other's strengths, rather than preying upon their weaknesses.

Today, I pledge my full effort to uphold the United States' part of the EAI bargain. I will lobby hard to ensure that we contribute our \$100 million share this year to the Multilateral Investment fund, and that we work hard to reach bilateral agreements with all the nations of this hemisphere. I also assure you that we will spare no effort in trying to reach an acceptable GATT conclusion. I assure you that we will fight for free and fair trade -- everywhere.

In 1876, the Brazilian Emperor Dom Pedro II visited the United States. During a stop in St. Louis, he noticed that local craftsmen were using only the sturdiest materials in building a customs house. The emperor was stunned. "But an iron building would last 400 years," he noted. "You do not mean to tell me that there will be any custom houses in 400 years."

Unfortunately, no one understood his point.//

We meet today to pursue Dom Pedro's vision of a hemisphere shorn of customs houses and jammed with shops and trade zones. If we can build a hemisphere devoted to freedom, one that encourages men and women of genius to turn their great ideas into products, deeds, services and industries; if we can build a hemisphere in which envy must step aside to for onrushing

enterprise; we can create our own New World order. We can build a legacy of real prosperity, stability, and harmony.

We have worked miracles in one year; let us shape a revolution in the next. Together, we can make our hemisphere freedom's first and best home. Thank you, and God bless you.

Now, I would like to ask Minister Foxley, Minister DeFranco, Minister Alfaro; Secretary Brady and Ambassador Hills to step forward as they sign a debt reduction agreement with Chile; a framework trade agreement with Nicaragua and a framework trade agreement with Panama.

#