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Forum of the Americas 4/23/92 [OA 6101][1]

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/22/92 ACTION/CONCURRENCE/COMMENT DUE BY: ---

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS

SUBJECT: THURSDAY, APRIL 23, - 8:00 p.m.

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MOORE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CALIO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN			<u>MCGROARTY</u>		

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

April 22, 1992

12 APR 22 A10:43

MEMORANDUM FOR THE PRESIDENT
THROUGH: DAVID DEMAREST *DD*
FROM: JOSEPH P. DUGGAN *JD*
SUBJECT: FORUM OF THE AMERICAS

I. SUMMARY

On Thursday, April 23, at 8:00 p.m. at the Sheraton Washington, you will address 500 U.S. and Latin American businessmen at the Forum of the Americas.

II. DISCUSSION

The remarks (18 minutes, on teleprompter) discuss how the spread of real democracy in Latin America has made increased prosperity possible through trade. The case is made for the North American Free Trade Agreement, and there is a call for Congress to support the Enterprise for the Americas Initiative.

Plan, an important initiative of my Administration designed to reduce the debt burden of our neighbors and set the stage for the renewal of growth.

Barriers to trade and investment are coming down. Go to the financial centers of the world and you will get the same message: One of the most exciting regions for investment is Latin America.

Alongside this economic revolution, we have witnessed and played a vital role to shape a political revolution every bit as far-reaching and every bit as powerful. Two years after we initiated Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. In El Salvador, after 12 years of civil war, our consistent efforts have brought peace. In Nicaragua, we succeeded in our goal of restoring peace and democracy through free elections. Throughout Central America, civilian presidents hold office, and the principle of consent of the governed is now firmly established. And in South America, Chile and Paraguay have rejoined the community of democracies.

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders with whom we have worked closely in pursuit of common goals. The new spirit was demonstrated in June of last year, when the OAS General Assembly passed a resolution designed to strengthen the international response to threats to democracy.

Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation -- I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own

economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\

I've made it a top priority to conclude a free trade agreement designed to remove all tariffs on trade between the United States, Canada and Mexico. This agreement will build on our historic free trade agreement with Canada. The success of the agreement with Canada demonstrates how free trade can benefit all concerned.

We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and pretend still to benefit from the fresh air of competition. Well, you and I know that is simply wrong-headed. Our economic future must not depend on those who pay lip service to free trade -- but full service to powerful special interests. We can't have

it both ways. In our own War for Independence those who took this kind of stand were known as the "Summer Soldiers." They wanted the glory of the revolution without showing the gumption to stand for freedom even in tough times. My stand is clear: Open trade is vital to the United States -- every bit as vital as domestic reforms to renew our systems of education, health care, government and administration of justice. \\

A free trade area comprising the United States, Mexico and Canada would be the largest market in the world -- 360 million consumers in a \$6 trillion economy. Mexico is among the fastest growing national markets for U.S. exports today. Over the last three years alone, American merchandise exports to Mexico have increased by two-thirds. Our exports of autos, auto parts, and telecommunications equipment to Mexico have doubled. And while members of this audience may be aware of this, I doubt it is widely known in the United States that two-thirds of all imports into Mexico come from the United States.

It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania, Florida and Ohio -- as well as Texas, California and Arizona.

Trade with Mexico already supports hundreds of thousands of U.S. jobs --and a North American Free Trade Agreement would create thousands more. It would create competitive efficiencies

and economies of scale that will help American companies compete in world markets.

Free trade with Canada and Mexico will make all of us winners in economic endeavor -- but our relationship goes well beyond trade. We share borders that span the continent. We're linked by centuries-old ties of family and culture. I share a warm friendship with Prime Minister Brian Mulroney, whom I consult frequently. I count President Carlos Salinas also as a dear friend -- he and I have been promoting the "spirit of Houston" ever since our summit meeting just after both of us were elected in 1988. Both President Salinas and Prime Minister Mulroney are bold and imaginative leaders -- and I am committed to working with them to forge enduring friendship among our countries, based on open trade, cooperation and mutual respect.

The North American Free Trade Agreement is only a beginning. Our Enterprise for the Americas Initiative already has made noteworthy progress to open markets, expand investment flows, reduce official debt, and strengthen the environment throughout the hemisphere.

The Enterprise for the Americas Initiative reflects a revolution in thinking. Through this initiative, the United States is not seeking to impose our ideas on our neighbors. Rather, our program is designed to empower them to succeed with free market economic reforms they have chosen on their own -- ideas developed in Latin America for Latin Americans.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade and investment need our support. They are the true liberators of our era. True success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

Economic reform must also include honest government. Corruption is the enemy of both growth and democracy. New investment will flow only where the rule of law is secure, the courts are fair, and bidding processes are open to all.

To support reformers -- to realize the hopeful new vision in Latin America -- the United States Congress must meet its responsibility. I asked Congress for \$310 million in this fiscal year under the Enterprise for the Americas Initiative. With that authority we could write off more than \$1 billion in the hemisphere's official debts and generate millions of dollars to preserve the environment. But Congress has refused to approve any funds for this purpose.

I've helped persuade our allies in Europe and Japan to contribute nearly two-thirds of a \$1.5 billion fund to help Latin American reformers. This fund, administered by the Inter-American Development Bank, would help people privatize old state enterprises at the grass roots -- with job retraining and small

business loans. But Congress has refused to vote a penny for the U.S. share.

I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until Congress demonstrates the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

The United States' economic destiny is linked to Latin America's. When Latin America suffered its debt crisis of the 1980s, we suffered through a corresponding drop in trade. With the rise of democracy and economic reform, U.S. exports to Latin America have surged by nearly one-third in just two years -- from \$49 billion in 1989 to \$63 billion in 1991. This is a much faster rate of growth than for our exports to Asia or Europe. It points to the fact that a stable, prosperous Latin America is a natural market for United States goods and services. Strengthening our neighbors' economies will result in more exports and more good jobs for people in the United States.

When any of us speak with our friends outside the Western Hemisphere, we need to assure them as clearly as possible: There is nothing exclusionary in our vision of open trade and economic integration in our hemisphere. Our aim is simply to lower barriers to economic freedom within and among the nations of the Western Hemisphere -- not, I repeat, not -- to create any

barriers between ourselves and the nations of Africa, Europe and Asia. All of our aims are consistent with the global policies of GATT -- and I would just like to commend the superb leadership of Arthur Dunkel, GATT's Director General, who spoke to you earlier today. And I want to assure you I urgently want to open up global markets through success with the Uruguay Round.

If the equivocators and the pleaders for special interests want to debate this, bring them on. \\ I will take the case for increased trade to the people in every corner of the United States. And I'll make this abundantly clear: Free trade means more exports, more investment, more choices, more jobs for Americans. This great country is the Number One exporter in the world -- over \$422 billion last year -- and we intend to pursue trade policies to keep that growth up now and in the future. We'll knock down barriers wherever we find them -- to open markets, for instance, for our computer software, movies, books and pharmaceuticals. We will fight hard against protectionism both at home and abroad.

Five centuries ago, a man of courage and vision set sail from Europe searching for new trade routes and opportunities. He defied the timid counsel of those who said the earth was flat. Christopher Columbus's voyage to the Americas transformed human history.

Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against

competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest, democratic, limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

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FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
8:00 P.M.

THANK YOU DAVID, AND THANK YOU FOR YOUR VITAL WORK
IN RALLYING PRIVATE SECTOR AND CONGRESSIONAL SUPPORT
FOR THE NORTH AMERICAN FREE TRADE AGREEMENT AND THE
ENTERPRISE FOR THE AMERICAS INITIATIVE. YOUR PERSONAL
INVOLVEMENT HAS BEEN A MAJOR FACTOR IN THE SUCCESS
WE'VE ENJOYED SO FAR WITH BOTH INITIATIVES. I ALSO
WANT TO PAY MY RESPECTS TO GEORGE LANDAU, ANTONIO DEL
VALLE, AND TOM D'AQUINO. \ \

I CAN'T THINK OF A MORE IMPORTANT MOMENT THAN NOW TO CONVENE THIS FORUM ON THE AMERICAS. OVER THE LAST THREE YEARS, WE HAVE SEEN OUR WORLD TRANSFORMED: THE BERLIN WALL TORN DOWN AND GERMANY PEACEFULLY UNIFIED; THE PEOPLE OF EASTERN EUROPE AND THE SOVIET UNION LIBERATED FROM COMMUNISM; AND SOUTH AFRICA'S HISTORIC VOTE TO REJECT APARTHEID. WE HAVE SEEN ARAB NEIGHBORS NEGOTIATING FOR THE FIRST TIME FACE-TO-FACE WITH ISRAEL; AND A WORLDWIDE COALITION, UNDER THE BANNER OF THE UNITED NATIONS, STAND UP, AND TURN BACK, IRAQI AGGRESSION AGAINST KUWAIT. AND THERE'S BEEN A PROFOUND CHANGE WITH MEANING FOR EVERY MAN, WOMAN AND CHILD ON EARTH: WE'VE DRASTICALLY REDUCED THE THREAT OF NUCLEAR WAR. \ \

JUST TODAY, THE UNITED STATES TOOK STEPS TO FACILITATE TRADE IN HIGH TECHNOLOGY GOODS, AN INITIATIVE MADE POSSIBLE BY THE CHANGED STRATEGIC ENVIRONMENT AND THE PEACEFUL REBIRTH OF FREEDOM IN THE FORMERLY COMMUNIST LANDS. WE RELAXED TRADE RESTRICTIONS ON EXPORTS THAT SERVED US WELL DURING THE COLD WAR ERA -- BUT ARE NO LONGER NECESSARY IN OUR NEW WORLD. OUR ACTIONS TODAY WILL ELIMINATE REQUIREMENTS FOR THOUSANDS OF EXPORT LICENSES, INCLUDING MANY THAT AFFECTED COMPUTERS -- ONE OF OUR STRONGEST EXPORT EARNERS. TRADE COVERED BY TODAY'S DEREGULATION AMOUNTS TO ABOUT \$2.5 BILLION DOLLARS.

HERE IN OUR OWN HEMISPHERE, THE AMERICAS HAVE LAUNCHED AN ERA OF FAR-REACHING AND HOPEFUL CHANGE. WE HAVE MADE HISTORY. WE'RE WELL ON OUR WAY TO CREATING SOMETHING MANKIND HAS NEVER SEEN: A HEMISPHERE WHOLLY FREE AND DEMOCRATIC, WITH PROSPERITY FLOWING FROM OPEN TRADE.

FROM MEXICO CITY TO BUENOS AIRES, THAT VISION IS BECOMING A REALITY. FOR THE FIRST TIME IN MANY YEARS, MORE PRIVATE CAPITAL IS FLOWING INTO THE AMERICAS FOR NEW INVESTMENTS THAN IS FLOWING OUT. IN COUNTRY AFTER COUNTRY, THE HYPERINFLATION THAT DEVASTATED THE REGION'S ECONOMIES, PARTICULARLY ITS POOR, HAS BEEN HALTED. IN NEARLY EVERY NATION, REAL GROWTH HAS RETURNED. A GROWING NUMBER OF NATIONS ARE TAKING ADVANTAGE OF THE BRADY PLAN -- AN IMPORTANT INITIATIVE OF MY ADMINISTRATION DESIGNED TO REDUCE THE DEBT BURDEN OF OUR NEIGHBORS AND SET THE STAGE FOR THE RENEWAL OF GROWTH.

BARRIERS TO TRADE AND INVESTMENT ARE COMING DOWN. GO TO THE FINANCIAL CENTERS OF THE WORLD AND YOU WILL GET THE SAME MESSAGE: ONE OF THE MOST EXCITING REGIONS FOR INVESTMENT IS LATIN AMERICA.

ALONGSIDE THIS ECONOMIC REVOLUTION, WE HAVE WITNESSED AND PLAYED A VITAL ROLE TO SHAPE A POLITICAL REVOLUTION JUST AS POWERFUL. TWO YEARS AFTER WE INITIATED OPERATION JUST CAUSE, PANAMA HAS REPLACED THE REPRESSION OF THE NORIEGA ERA WITH FREEDOM AND DEMOCRACY. IN EL SALVADOR, AFTER 12 YEARS OF CIVIL WAR, OUR CONSISTENT EFFORTS HAVE BROUGHT PEACE. IN NICARAGUA, WE SUCCEEDED IN OUR GOAL OF RESTORING PEACE AND DEMOCRACY THROUGH FREE ELECTIONS. THROUGHOUT CENTRAL AMERICA, CIVILIAN PRESIDENTS HOLD OFFICE, AND THE PRINCIPLE OF CONSENT OF THE GOVERNED IS NOW FIRMLY ESTABLISHED. AND IN SOUTH AMERICA, CHILE AND PARAGUAY HAVE REJOINED THE COMMUNITY OF DEMOCRACIES.

THIS PEACEFUL REVOLUTION THROUGHOUT THE AMERICAS DID NOT HAPPEN BY ACCIDENT. IT IS THE WORK OF A NEW GENERATION OF COURAGEOUS AND COMMITTED DEMOCRATIC LEADERS WITH WHOM WE HAVE WORKED CLOSELY IN PURSUIT OF COMMON GOALS. THE NEW SPIRIT WAS DEMONSTRATED IN JUNE OF LAST YEAR, WHEN THE O.A.S. GENERAL ASSEMBLY PASSED A RESOLUTION DESIGNED TO STRENGTHEN THE INTERNATIONAL RESPONSE TO THREATS TO DEMOCRACY.

CONSOLIDATING THIS REVOLUTION WILL NOT BE EASY. MILLIONS OF PEOPLE IN OUR HEMISPHERE ARE STILL MIRED IN POVERTY AND POLITICAL ALIENATION. RECENT EVENTS IN HAITI, VENEZUELA, AND PERU REMIND US THAT DEMOCRACY IS STILL FRAGILE AND FACES CONTINUED DANGERS. IN ALL OUR NATIONS, POWERFUL SPECIAL INTERESTS CLING TO OLD IDEAS AND PRIVILEGES, PROMOTE PROTECTIONISM, AND RESIST EXPANDED TRADE.

FOR THE DIEHARDS -- FOR CASTRO'S TOTALITARIAN REGIME, FOR THOSE IN THE HEMISPHERE WHO WOULD TURN THE CLOCK BACK TO MILITARY DICTATORSHIP, FOR THE STUBBORN HOLDOUTS FOR ECONOMIC ISOLATION -- I WANT TO MAKE ONE POINT CLEAR: HUNDREDS OF MILLIONS OF LATIN AMERICANS SHARE A FAITH IN HUMAN FREEDOM AND OPPORTUNITY. AND I STAND WITH THEM. AS LONG AS I AM PRESIDENT, THE UNITED STATES WILL DEVOTE ITS ENERGIES TO THE TRUE AND LASTING LIBERATION OF THE PEOPLE OF THE WESTERN HEMISPHERE.

SHARING THE DEMOCRATIC SPIRIT MAKES A DIFFERENCE ON EVERY ISSUE WE CARE ABOUT: DEMOCRACY'S REBIRTH LED ARGENTINA AND BRAZIL TO JOIN HANDS TO HALT THE SPREAD OF NUCLEAR ARMS. DEMOCRACY ENERGIZED BRAZIL TO SLOW DEFORESTATION OF THE AMAZON RAINFOREST. DEMOCRACY GAVE ARGENTINA THE WILL TO STOP THE CONDOR BALLISTIC MISSILE PROGRAM FINANCED BY LIBYA AND IRAQ. COLOMBIA'S DEMOCRACY IS LEADING THE FIGHT AGAINST THE DRUG TRADE AND WORKING TO RESTORE ITS ECONOMIC VITALITY. THE RESTORED DEMOCRACY IN PANAMA HAS PASSED TOUGH NEW LAWS TO COMBAT MONEY LAUNDERING, AND IT'S WORKING TO RENEW ITS IMPORTANCE AS AN EAST-WEST TRADE CORRIDOR.

AND MAKE NO MISTAKE: POLITICAL AND ECONOMIC FREEDOM ARE INSEPARABLE. JUST AS PEOPLE HAVE A GOD-GIVEN RIGHT TO CHOOSE WHO WILL GOVERN THEM, THEY ALSO MUST BE FREE TO MAKE THEIR OWN ECONOMIC CHOICES. AND WHEN WE LIFT BARRIERS TO ECONOMIC FREEDOM WITHIN AND AMONG OUR COUNTRIES, WE UNLEASH POWERFUL FORCES OF GROWTH AND CREATIVITY.

BEFORE I LEAVE OFFICE I WANT MANUFACTURERS IN CLEVELAND TO ENJOY VIRTUALLY THE SAME ACCESS TO MARKETS IN MONTERREY AS THEY NOW HAVE IN MINNEAPOLIS. WITH NEW TECHNOLOGIES, CREATORS OF SERVICES IN DENVER MAY BE ABLE TO TAP MARKETS IN SANTIAGO AS READILY AS THOSE IN CHICAGO. AND I'LL WORK TO ASSURE THAT GOVERNMENT PROTECTION AND EXCESSIVE REGULATION DON'T STAND IN THEIR WAY. TO DO THIS, WE'LL HAVE TO OVERCOME THE STUNTED VISION OF THE SPECIAL INTERESTS. AND I AM DETERMINED THAT WE CAN AND WILL DO EXACTLY THAT. \ \

I'VE MADE IT A TOP PRIORITY TO CONCLUDE A FREE TRADE AGREEMENT DESIGNED TO REMOVE ALL TARIFFS ON TRADE BETWEEN THE UNITED STATES, CANADA AND MEXICO. THIS AGREEMENT WILL BUILD ON OUR HISTORIC FREE TRADE AGREEMENT WITH CANADA. THE SUCCESS OF THE AGREEMENT WITH CANADA DEMONSTRATES HOW FREE TRADE CAN BENEFIT ALL CONCERNED.

WE CAN'T ACHIEVE THIS BREAKTHROUGH BY EQUIVOCATING BETWEEN THE STATUS QUO PROTECTIONISTS AND THE MOVEMENT FOR FREEDOM AND CHANGE. SOME SUGGEST THAT WE CAN HIDE IN A COCOON OF PROTECTION AND PRETEND STILL TO BENEFIT FROM THE FRESH AIR OF COMPETITION. WELL, YOU AND I KNOW THAT IS SIMPLY WRONG-HEADED. OUR ECONOMIC FUTURE MUST NOT DEPEND ON THOSE WHO PAY LIP SERVICE TO FREE TRADE -- BUT FULL SERVICE TO POWERFUL SPECIAL INTERESTS. WE CAN'T HAVE IT BOTH WAYS. IN OUR OWN WAR FOR INDEPENDENCE THOSE WHO TOOK THIS KIND OF STAND WERE KNOWN AS THE "SUMMER SOLDIERS." THEY WANTED THE GLORY OF THE REVOLUTION WITHOUT SHOWING THE GUMPTION TO STAND FOR FREEDOM EVEN IN TOUGH TIMES. MY STAND IS CLEAR: OPEN TRADE IS VITAL TO THE UNITED STATES -- EVERY BIT AS VITAL AS DOMESTIC REFORMS TO RENEW OUR SYSTEMS OF EDUCATION, HEALTH CARE, GOVERNMENT AND ADMINISTRATION OF JUSTICE. \\\

A FREE TRADE AREA COMPRISING THE UNITED STATES, MEXICO AND CANADA WOULD BE THE LARGEST MARKET IN THE WORLD -- 360 MILLION CONSUMERS IN A \$6 TRILLION ECONOMY. MEXICO IS AMONG THE FASTEST GROWING NATIONAL MARKETS FOR U.S. EXPORTS TODAY. OVER THE LAST THREE YEARS ALONE, AMERICAN MERCHANDISE EXPORTS TO MEXICO HAVE INCREASED BY TWO-THIRDS. OUR EXPORTS OF AUTOS, AUTO PARTS, AND TELECOMMUNICATIONS EQUIPMENT TO MEXICO HAVE DOUBLED. AND WHILE MEMBERS OF THIS AUDIENCE MAY BE AWARE OF THIS, I DOUBT IT IS WIDELY KNOWN IN THE UNITED STATES THAT TWO-THIRDS OF ALL IMPORTS INTO MEXICO COME FROM THE UNITED STATES.

IT'S NOT JUST THE BORDER STATES THAT PROFIT FROM THIS GROWTH. DURING MY PRESIDENCY, 45 OF OUR 50 STATES HAVE INCREASED THEIR EXPORTS TO MEXICO. OUR TOP 10 EXPORTERS TO MEXICO TODAY INCLUDE MICHIGAN, ILLINOIS, NEW YORK, LOUISIANA, PENNSYLVANIA, FLORIDA AND OHIO -- AS WELL AS TEXAS, CALIFORNIA AND ARIZONA.

TRADE WITH MEXICO ALREADY SUPPORTS HUNDREDS OF THOUSANDS OF U.S. JOBS. JUST AS AN EXAMPLE: THOUSANDS OF GOOD JOBS IN WARREN, OHIO AND ROCHESTER, NEW YORK DEPEND ON SISTER PLANTS IN MEXICO TO KEEP THEIR PRODUCTS COMPETITIVE. A NORTH AMERICAN FREE TRADE AGREEMENT WOULD CREATE THOUSANDS MORE. IT WOULD CREATE COMPETITIVE EFFICIENCIES AND ECONOMIES OF SCALE THAT WILL HELP AMERICAN COMPANIES COMPETE IN WORLD MARKETS.

FREE TRADE WITH CANADA AND MEXICO WILL MAKE ALL OF US WINNERS IN ECONOMIC ENDEAVOR -- BUT OUR RELATIONSHIP GOES WELL BEYOND TRADE. WE SHARE BORDERS THAT SPAN THE CONTINENT. WE'RE LINKED BY CENTURIES-OLD TIES OF FAMILY AND CULTURE. I SHARE A WARM FRIENDSHIP WITH PRIME MINISTER BRIAN MULRONEY, WHOM I CONSULT FREQUENTLY. I COUNT PRESIDENT CARLOS SALINAS ALSO AS A DEAR FRIEND -- HE AND I HAVE BEEN PROMOTING THE "SPIRIT OF HOUSTON" EVER SINCE OUR SUMMIT MEETING JUST AFTER BOTH OF US WERE ELECTED IN 1988. BOTH PRESIDENT SALINAS AND PRIME MINISTER MULRONEY ARE BOLD AND IMAGINATIVE LEADERS -- AND I AM COMMITTED TO WORKING WITH THEM TO FORGE ENDURING FRIENDSHIP AMONG OUR COUNTRIES, BASED ON OPEN TRADE, COOPERATION AND MUTUAL RESPECT.

NOW, YOU MAY HAVE HEARD SOME SUGGEST THAT POLITICS WILL DICTATE DELAYING THE NORTH AMERICAN FREE TRADE AGREEMENT UNTIL AFTER THE ELECTION. WELL, THOSE VOICES ARE NOT SPEAKING FOR ME. \\ THE TIME OF OPPORTUNITY IS NOW. I'VE INSTRUCTED OUR NEGOTIATORS TO ACCELERATE THEIR WORK. I BELIEVE WE CAN CONCLUDE A SOUND, SENSIBLE DEAL BEFORE THE ELECTION -- AND I WANT TO SIGN A GOOD AGREEMENT AS SOON AS IT'S READY. \\

THE NORTH AMERICAN FREE TRADE AGREEMENT IS ONLY A BEGINNING. OUR ENTERPRISE FOR THE AMERICAS INITIATIVE ALREADY HAS MADE NOTEWORTHY PROGRESS TO OPEN MARKETS, EXPAND INVESTMENT FLOWS, REDUCE OFFICIAL DEBT, AND STRENGTHEN THE ENVIRONMENT THROUGHOUT THE HEMISPHERE.

THE ENTERPRISE FOR THE AMERICAS INITIATIVE REFLECTS A REVOLUTION IN THINKING. THROUGH THIS INITIATIVE, THE UNITED STATES IS NOT SEEKING TO IMPOSE OUR IDEAS ON OUR NEIGHBORS. RATHER, OUR PROGRAM IS DESIGNED TO EMPOWER THEM TO SUCCEED WITH FREE MARKET ECONOMIC REFORMS THEY HAVE CHOSEN ON THEIR OWN -- IDEAS DEVELOPED IN LATIN AMERICA FOR LATIN AMERICANS.

THE COURAGEOUS LATIN AMERICAN LEADERS WHO ARE REFORMING THEIR ECONOMIES AND BREAKING DOWN BARRIERS TO TRADE AND INVESTMENT NEED OUR SUPPORT. THEY ARE THE TRUE LIBERATORS OF OUR ERA. TRUE SUCCESS WILL MEAN OPENING UP STATIST SYSTEMS FORMERLY RIGGED TO PROTECT WEALTHY ELITES AND CLOSED TO WORKING PEOPLE AND THE POOR. FREE MARKET REFORMS WILL BANISH BURDENSOME REGULATIONS THAT NOW PREVENT THE URBAN POOR FROM STARTING NEW BUSINESSES OR CAMPESINOS FROM GAINING ACCESS TO CREDIT AND TITLE TO THEIR LAND.

ECONOMIC REFORM MUST ALSO INCLUDE HONEST GOVERNMENT. CORRUPTION IS THE ENEMY OF BOTH GROWTH AND DEMOCRACY. NEW INVESTMENT WILL FLOW ONLY WHERE THE RULE OF LAW IS SECURE, THE COURTS ARE FAIR, AND BIDDING PROCESSES ARE OPEN TO ALL.

TO SUPPORT REFORMERS -- TO REALIZE THE HOPEFUL NEW VISION IN LATIN AMERICA -- THE UNITED STATES CONGRESS MUST MEET ITS RESPONSIBILITY. I ASKED CONGRESS TO TAKE LONG OVERDUE ACTION -- TO INVEST \$310 MILLION IN THIS FISCAL YEAR UNDER THE ENTERPRISE FOR THE AMERICAS INITIATIVE. WITH THIS, WE COULD WRITE OFF MORE THAN \$1 BILLION IN THE HEMISPHERE'S OFFICIAL DEBTS AND GENERATE MILLIONS OF DOLLARS TO PRESERVE THE ENVIRONMENT. BUT CONGRESS HAS REFUSED TO APPROVE ANY FUNDS FOR THIS PURPOSE. CONGRESS APPARENTLY DOESN'T BELIEVE IN "RETURN ON INVESTMENT" -- BUT I DO. AND OUR TRUCKERS AND RAILROAD PEOPLE DO. AND OUR AUTO AND ELECTRONICS MAKERS DO. AS DO OUR ENVIRONMENTAL ENGINEERS, AND MANY, MANY MORE.

I'VE HELPED PERSUADE OUR ALLIES IN EUROPE AND JAPAN TO CONTRIBUTE NEARLY TWO-THIRDS OF A \$1.5 BILLION FUND TO HELP LATIN AMERICAN REFORMERS. THIS FUND, ADMINISTERED BY THE INTER-AMERICAN DEVELOPMENT BANK, WOULD HELP PEOPLE PRIVATIZE OLD STATE ENTERPRISES AT THE GRASS ROOTS -- WITH JOB RETRAINING AND SMALL BUSINESS LOANS. BUT CONGRESS HAS REFUSED TO VOTE A PENNY FOR THE U.S. SHARE.

I'LL KEEP ON FIGHTING FOR THESE VITAL PROGRAMS OF THE ENTERPRISE FOR THE AMERICAS INITIATIVE UNTIL CONGRESS DEMONSTRATES THE VISION AND FORTITUDE TO PROVIDE THE SUPPORT THEY DESERVE. IF WE CAN INVEST IN THE TRANSFORMATION OF EASTERN EUROPE AND THE OLD SOVIET UNION -- AND WE MUST DO SO -- THEN WE CAN AND WE MUST INVEST IN THE EFFORTS OF OUR CLOSEST NEIGHBORS ON THEIR PEACEFUL ROAD TO TRUE LIBERATION AND PROSPERITY.

THE UNITED STATES' ECONOMIC DESTINY IS LINKED TO LATIN AMERICA'S. NO ARMY OF PROTECTIONISTS CAN CHANGE THAT. WHEN LATIN AMERICA SUFFERED ITS DEBT CRISIS OF THE EARLY 1980S, WE SUFFERED THROUGH A CORRESPONDING DROP IN TRADE. IF YOU DON'T BELIEVE ME, ASK CATERPILLER WORKERS FROM ILLINOIS, OR EMPLOYEES FROM CESSNA IN KANSAS. ASK THEM IF THEY SUFFERED WHEN OUR BEST CUSTOMERS IN LATIN AMERICA WERE IN CRISIS.

WITH THE RISE OF DEMOCRACY AND ECONOMIC REFORM, U.S. EXPORTS TO LATIN AMERICA HAVE SURGED BY NEARLY ONE-THIRD IN JUST TWO YEARS -- FROM \$49 BILLION IN 1989 TO \$63 BILLION IN 1991. THIS IS A MUCH FASTER RATE OF GROWTH THAN FOR OUR EXPORTS TO ASIA OR EUROPE. IT POINTS TO THE FACT THAT A STABLE, PROSPEROUS LATIN AMERICA IS A NATURAL MARKET FOR UNITED STATES GOODS AND SERVICES. STRENGTHENING OUR NEIGHBORS' ECONOMIES WILL RESULT IN MORE EXPORTS AND MORE GOOD JOBS FOR PEOPLE IN THE UNITED STATES.

WHEN ANY OF US SPEAK WITH OUR FRIENDS OUTSIDE THE WESTERN HEMISPHERE, WE NEED TO ASSURE THEM AS CLEARLY AS POSSIBLE: THERE IS NOTHING EXCLUSIONARY IN OUR VISION OF OPEN TRADE AND ECONOMIC INTEGRATION IN OUR HEMISPHERE. OUR AIM IS SIMPLY TO LOWER BARRIERS TO ECONOMIC FREEDOM WITHIN AND AMONG THE NATIONS OF THE WESTERN HEMISPHERE -- NOT, I REPEAT, NOT -- TO CREATE ANY BARRIERS BETWEEN OURSELVES AND THE NATIONS OF AFRICA, EUROPE AND ASIA. ALL OF OUR AIMS ARE CONSISTENT WITH THE GLOBAL POLICIES OF GATT -- AND I WOULD JUST LIKE TO COMMEND THE SUPERB LEADERSHIP OF ARTHUR DUNKEL, GATT'S DIRECTOR GENERAL, WHO SPOKE TO YOU EARLIER TODAY. AND I WANT TO ASSURE YOU I URGENTLY WANT TO OPEN UP GLOBAL MARKETS THROUGH SUCCESS WITH THE URUGUAY ROUND.

IF THE EQUIVOCATORS AND THE PLEADERS FOR SPECIAL INTERESTS WANT TO DEBATE THIS, BRING THEM ON. \ I WILL TAKE THE CASE FOR INCREASED TRADE TO THE PEOPLE IN EVERY CORNER OF THE UNITED STATES. AND I'LL MAKE THIS ABUNDANTLY CLEAR: FREE TRADE MEANS MORE EXPORTS, MORE INVESTMENT, MORE CHOICES, MORE JOBS FOR AMERICANS. THIS GREAT COUNTRY IS THE NUMBER ONE EXPORTER IN THE WORLD -- OVER \$422 BILLION LAST YEAR -- AND WE INTEND TO PURSUE TRADE POLICIES TO KEEP THAT GROWTH UP NOW AND IN THE FUTURE. WE'LL KNOCK DOWN BARRIERS WHEREVER WE FIND THEM -- TO OPEN MARKETS, FOR INSTANCE, FOR OUR COMPUTER SOFTWARE, MOVIES, BOOKS AND PHARMACEUTICALS. WE WILL FIGHT HARD AGAINST PROTECTIONISM BOTH AT HOME AND ABROAD.

FIVE CENTURIES AGO, A MAN OF COURAGE AND VISION SET SAIL FROM EUROPE SEARCHING FOR NEW TRADE ROUTES AND OPPORTUNITIES. HE DEFIED THE TIMID COUNSEL OF THOSE WHO SAID THE EARTH WAS FLAT. CHRISTOPHER COLUMBUS'S VOYAGE TO THE AMERICAS TRANSFORMED HUMAN HISTORY. COLUMBUS WAS AN ENTREPRENEUR -- AND THE RISK HE TOOK 500 YEARS AGO CONTINUES TO PAY OFF ABUNDANTLY TODAY. \ \

TODAY, WE STILL HAVE TO COMBAT THE FLAT-EARTH MENTALITY -- THE MINDSET THAT URGES US TO BARRICADE OUR BORDERS AGAINST COMPETITION, TO SHUT OFF THE FREE EXCHANGE OF FOOD AND MACHINERY AND SKILLS AND IDEAS.

BUT THE FUTURE DOESN'T BELONG TO THE STATUS QUO. IT IS THE LEGACY OF PEOPLE LIKE YOURSELVES -- PEOPLE WITH FAR-SIGHTED VISION AND A SPIRIT OF ENTERPRISE. THE FUTURE AWAITING THE AMERICAS IS A TIME OF REDISCOVERY. A TIME FOR EMPOWERING THE POOR THROUGH NEW INVESTMENT, TRADE AND GROWTH. A TIME FOR CULTURAL RENEWAL. OUR EFFORTS -- AND THE EFFORTS OF MILLIONS OF CITIZENS OF THE AMERICAS -- CAN ACHIEVE NEW GAINS FOR HONEST, DEMOCRATIC, LIMITED GOVERNMENT. TOGETHER WE CAN USHER IN A NEW ORDER OF PEACE -- A NEW TIME OF PROSPERITY -- BOTH ANIMATED BY PERSONAL FREEDOM.

THANK YOU, AND MAY GOD BLESS ALL OF YOU.

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THE WHITE HOUSE
WASHINGTON

April 22, 1992

12 APR 22 A10:43

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *DD*
FROM: JOSEPH P. DUGGAN *JD*
SUBJECT: FORUM OF THE AMERICAS

I. SUMMARY

On Thursday, April 23, at 8:00 p.m. at the Sheraton Washington, you will address 500 U.S. and Latin American businessmen at the Forum of the Americas.

II. DISCUSSION

The remarks (18 minutes, on teleprompter) discuss how the spread of real democracy in Latin America has made increased prosperity possible through trade. The case is made for the North American Free Trade Agreement, and there is a call for Congress to support the Enterprise for the Americas Initiative.

Duggan/Simon
April 22, 1992
Draft Five
Trade

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
8:00 p.m.

[Acknowledgments]

I can't think of a more important moment than now to convene this Forum on the Americas. Over the last three years, we have seen our world transformed: The Berlin Wall torn down and Germany peacefully unified; the people of eastern Europe and the Soviet Union liberated from communism; and in South Africa an historic vote to reject apartheid. We have seen Arab neighbors negotiating for the first time face-to-face with Israel; and a worldwide coalition, under the banner of the United Nations, stand up, and turn back, Iraqi aggression against Kuwait.

Meanwhile, here in our own hemisphere, we've also made history. The Americas have launched an era of far-reaching and hopeful change. We're well on our way to creating something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more private capital is flowing into the Americas for new investments than is flowing out. In country after country, the hyperinflation that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned. A growing number of nations are taking advantage of the Brady

Plan, an important initiative of my Administration designed to reduce the debt burden of our neighbors and set the stage for the renewal of growth.

Barriers to trade and investment are coming down. Go to the financial centers of the world and you will get the same message: One of the most exciting regions for investment is Latin America.

Alongside this economic revolution, we have witnessed and played a vital role to shape a political revolution every bit as far-reaching and every bit as powerful. Two years after we initiated Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. In El Salvador, after 12 years of civil war, our consistent efforts have brought peace. In Nicaragua, we succeeded in our goal of restoring peace and democracy through free elections. Throughout Central America, civilian presidents hold office, and the principle of consent of the governed is now firmly established. And in South America, Chile and Paraguay have rejoined the community of democracies.

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders with whom we have worked closely in pursuit of common goals. The new spirit was demonstrated in June of last year, when the OAS General Assembly passed a resolution designed to strengthen the international response to threats to democracy.

Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation -- I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own

economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\

I've made it a top priority to conclude a free trade agreement designed to remove all tariffs on trade between the United States, Canada and Mexico. This agreement will build on our historic free trade agreement with Canada. The success of the agreement with Canada demonstrates how free trade can benefit all concerned.

We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and pretend still to benefit from the fresh air of competition. Well, you and I know that is simply wrong-headed. Our economic future must not depend on those who pay lip service to free trade -- but full service to powerful special interests. We can't have

it both ways. In our own War for Independence those who took this kind of stand were known as the "Summer Soldiers." They wanted the glory of the revolution without showing the gumption to stand for freedom even in tough times. My stand is clear: Open trade is vital to the United States -- every bit as vital as domestic reforms to renew our systems of education, health care, government and administration of justice. \\

A free trade area comprising the United States, Mexico and Canada would be the largest market in the world -- 360 million consumers in a \$6 trillion economy. Mexico is among the fastest growing national markets for U.S. exports today. Over the last three years alone, American merchandise exports to Mexico have increased by two-thirds. Our exports of autos, auto parts, and telecommunications equipment to Mexico have doubled. And while members of this audience may be aware of this, I doubt it is widely known in the United States that two-thirds of all imports into Mexico come from the United States.

It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania, Florida and Ohio -- as well as Texas, California and Arizona.

Trade with Mexico already supports hundreds of thousands of U.S. jobs --and a North American Free Trade Agreement would create thousands more. It would create competitive efficiencies

and economies of scale that will help American companies compete in world markets.

Free trade with Canada and Mexico will make all of us winners in economic endeavor -- but our relationship goes well beyond trade. We share borders that span the continent. We're linked by centuries-old ties of family and culture. I share a warm friendship with Prime Minister Brian Mulroney, whom I consult frequently. I count President Carlos Salinas also as a dear friend -- he and I have been promoting the "spirit of Houston" ever since our summit meeting just after both of us were elected in 1988. Both President Salinas and Prime Minister Mulroney are bold and imaginative leaders -- and I am committed to working with them to forge enduring friendship among our countries, based on open trade, cooperation and mutual respect.

The North American Free Trade Agreement is only a beginning. Our Enterprise for the Americas Initiative already has made noteworthy progress to open markets, expand investment flows, reduce official debt, and strengthen the environment throughout the hemisphere.

The Enterprise for the Americas Initiative reflects a revolution in thinking. Through this initiative, the United States is not seeking to impose our ideas on our neighbors. Rather, our program is designed to empower them to succeed with free market economic reforms they have chosen on their own -- ideas developed in Latin America for Latin Americans.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade and investment need our support. They are the true liberators of our era. True success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

Economic reform must also include honest government. Corruption is the enemy of both growth and democracy. New investment will flow only where the rule of law is secure, the courts are fair, and bidding processes are open to all.

To support reformers -- to realize the hopeful new vision in Latin America -- the United States Congress must meet its responsibility. I asked Congress for \$310 million in this fiscal year under the Enterprise for the Americas Initiative. With that authority we could write off more than \$1 billion in the hemisphere's official debts and generate millions of dollars to preserve the environment. But Congress has refused to approve any funds for this purpose.

I've helped persuade our allies in Europe and Japan to contribute nearly two-thirds of a \$1.5 billion fund to help Latin American reformers. This fund, administered by the Inter-American Development Bank, would help people privatize old state enterprises at the grass roots -- with job retraining and small

business loans. But Congress has refused to vote a penny for the U.S. share.

I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until Congress demonstrates the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

The United States' economic destiny is linked to Latin America's. When Latin America suffered its debt crisis of the 1980s, we suffered through a corresponding drop in trade. With the rise of democracy and economic reform, U.S. exports to Latin America have surged by nearly one-third in just two years -- from \$49 billion in 1989 to \$63 billion in 1991. This is a much faster rate of growth than for our exports to Asia or Europe. It points to the fact that a stable, prosperous Latin America is a natural market for United States goods and services. Strengthening our neighbors' economies will result in more exports and more good jobs for people in the United States.

When any of us speak with our friends outside the Western Hemisphere, we need to assure them as clearly as possible: There is nothing exclusionary in our vision of open trade and economic integration in our hemisphere. Our aim is simply to lower barriers to economic freedom within and among the nations of the Western Hemisphere -- not, I repeat, not -- to create any

barriers between ourselves and the nations of Africa, Europe and Asia. All of our aims are consistent with the global policies of GATT -- and I would just like to commend the superb leadership of Arthur Dunkel, GATT's Director General, who spoke to you earlier today. And I want to assure you I urgently want to open up global markets through success with the Uruguay Round.

If the equivocators and the pleaders for special interests want to debate this, bring them on. \\ I will take the case for increased trade to the people in every corner of the United States. And I'll make this abundantly clear: Free trade means more exports, more investment, more choices, more jobs for Americans. This great country is the Number One exporter in the world -- over \$422 billion last year -- and we intend to pursue trade policies to keep that growth up now and in the future. We'll knock down barriers wherever we find them -- to open markets, for instance, for our computer software, movies, books and pharmaceuticals. We will fight hard against protectionism both at home and abroad.

Five centuries ago, a man of courage and vision set sail from Europe searching for new trade routes and opportunities. He defied the timid counsel of those who said the earth was flat. Christopher Columbus's voyage to the Americas transformed human history.

Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against

competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest, democratic, limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

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Duggan/Simon
April 23, 1992
Draft Seven
Trade

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
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Just today, the United States took a ^{steps to facilitate trade} ~~historic step~~, opening ^{in high technology goods, an initiative made possible by the changed strategic environment and} ~~up new markets as a consequence of the peaceful rebirth of~~ freedom in the formerly communist lands. We ~~have~~ relaxed major ^{ON our exports} ~~economic~~ trade restrictions that served us well during the Cold War era -- but are no longer necessary in our new world. Our actions today will eliminate requirements for thousands of export licenses, including many that affected ^{computers and other, one of our strongest} ~~re-export from third~~ ^{Trade covered by its export controls. These export controls amount to} ~~countries.~~ We expect today's deregulation to bring about \$2.5 billion in increased trade activity.

new paragraph

export earnings.

Paragraph to be inserted in President Bush's

Remarks: Forum of the Americas.

Let me give you an example of how I am trying to ease the burden on exporters to keep that growth going. You have all heard about my plan to get rid of unnecessary regulations. Well, today I directed the Commerce Department to ease restrictions on technology exports going to most of our European partners and other allies -- so many of our U.S. companies who are trying to compete with the Europeans or Japanese will have an easier time. This eliminates government red tape on about three billion dollars worth of exports that previously had to wait for prior government approval.

Insert paragraph:

page 4 after "...don't stand in their way." and before "To do this, we'll...."

or

page 9 after "...now and in the future." and before "We'll knock down barriers...."

THE WHITE HOUSE
WASHINGTON

April 22, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *AD*
FROM: JOSEPH P. DUGGAN *JD*
SUBJECT: FORUM OF THE AMERICAS

I. SUMMARY

On Thursday, April 23, at 8:00 p.m. at the Sheraton Washington, you will address 500 U.S. and Latin American businessmen at the Forum of the Americas.

II. DISCUSSION

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Duggan/Simon
April 22, 1992
Draft Five
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Meanwhile, here in our own hemisphere, we've also made history. The Americas have launched an era of far-reaching and hopeful change. We're well on our way to creating something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more private capital is flowing into the Americas for new investments than is flowing out. In country after country, the hyperinflation that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned.

A growing number of nations are reducing their commercial debt under the Brady Plan.

Barriers to trade and investment are coming down. Go to the financial centers of the world and you will get the same message: One of the most exciting regions for investment is Latin America.

Alongside this economic revolution, we have witnessed and worked to support a political revolution every bit as far-reaching and every bit as powerful. Two years after Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. After 12 years of civil war, El Salvador is at peace. In Central America, civilian presidents hold office in each country, and the principle of consent of the governed is now firmly established. In South America, Chile and Paraguay have rejoined the community of democracies.

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Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers.

In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation - - I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

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Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for

cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest, democratic, limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

#

Schwartz
Changes

11:30 am
4/22

Duggan/Simon
April 22, 1992
Draft Five
Trade

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SHERATON WASHINGTON HOTEL
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Meanwhile, here in our own hemisphere, we've also made history. The Americas have launched an era of far-reaching and hopeful change. We're well on our way to creating something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more private capital is flowing into the Americas for new investments than is flowing out. In country after country, the hyperinflation that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned.

and set the stage for renewed growth

A growing number of nations are ^{taking advantage of} reducing their commercial debt under the Brady Plan, an important ^{initiative of our administration} designed to reduce the debt burden of our neighbors. Barriers to trade and investment are coming down. Go to the financial centers of the world and you will get the same message: One of the most exciting regions for investment is Latin America.

Alongside this economic revolution, we have witnessed and ^{played a vital role in helping shape} worked to support a political revolution every bit as far-reaching and every bit as powerful. Two years after ^{we initiated} Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. ^{Our policy towards El Salvador has been extremely} After 12 years of civil war, El Salvador is at peace. ^{In Nicaragua, after years of strife + tension, we worked} In Central America, civilian presidents

Transferring Central American presidents

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Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers.

successfully to produce a political consensus through free elections that is working.

In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation - - I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\\

I've made it a top priority to conclude a free trade agreement designed to remove all tariffs on trade between the United States, Canada and Mexico. This agreement will build on our historic free trade agreement with Canada. The success of the agreement with Canada demonstrates how free trade can benefit all concerned.

We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and pretend still to benefit from the fresh air of competition. Well, you and I know that is simply wrong-headed. Our economic future must not depend on those who pay lip service to free trade -- but full service to powerful special interests. We can't have it both ways. In our own War for Independence those who took this kind of stand were known as the "Summer Soldiers." They wanted the glory of the revolution without showing the gumption

to stand for freedom even in tough times. My stand is clear: Open trade is vital to the United States -- every bit as vital as domestic reforms to renew our systems of education, health care, government and administration of justice. \\

A free trade area comprising the United States, Mexico and Canada would be the largest market in the world -- 360 million consumers in a \$6 trillion economy. Mexico is among the fastest growing national markets for U.S. exports today. Over the last three years alone, American merchandise exports to Mexico have increased by two-thirds. Our exports of autos, auto parts, and telecommunications equipment to Mexico have doubled. And while members of this audience may be aware of this, I doubt it is widely known in the United States that two-thirds of all imports into Mexico come from the United States.

It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania, Florida and Ohio -- as well as Texas, California and Arizona.

Trade with Mexico already supports hundreds of thousands of U.S. jobs --and a North American Free Trade Agreement would create thousands more. It would create competitive efficiencies and economies of scale that will help American companies compete in world markets.

Free trade with Canada and Mexico will make all of us winners in economic endeavor -- but our relationship goes well

beyond trade. We share borders that span the continent. We're linked by centuries-old ties of family and culture. I share a warm friendship with Prime Minister Brian Mulroney, whom I consult frequently. I count President Carlos Salinas also as a dear friend -- he and I have been promoting the "spirit of Houston" ever since our summit meeting just after both of us were elected in 1988. Both President Salinas and Prime Minister Mulroney are bold and imaginative leaders -- and I am committed to working with them to forge enduring friendship among our countries, based on open trade, cooperation and mutual respect.

The North American Free Trade Agreement is only a beginning. Our Enterprise for the Americas Initiative already has made noteworthy progress to open markets, expand investment flows, reduce official debt, and strengthen the environment throughout the hemisphere.

The Enterprise for the Americas Initiative reflects a revolution in thinking. Through this initiative, the United States is not seeking to impose our ideas on our neighbors. Rather, our program is designed to empower them to succeed with free market economic reforms they have chosen on their own -- ideas developed in Latin America for Latin Americans.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade and investment need our support. They are the true liberators of our era. True success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and

the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

Economic reform must also include honest government. Corruption is the enemy of both growth and democracy. New investment will flow only where the rule of law is secure, the courts are fair, and bidding processes are open to all.

To support reformers -- to realize the hopeful new vision in Latin America -- the United States Congress must meet its responsibility. I asked Congress for \$310 million in this fiscal year under the Enterprise for the Americas Initiative. With that authority we could write off more than \$1 billion in the hemisphere's official debts and generate millions of dollars to preserve the environment. But Congress has refused to approve any funds for this purpose.

I've helped persuade our allies in Europe and Japan to contribute nearly two-thirds of a \$1.5 billion fund to help Latin American reformers. This fund, administered by the Inter-American Development Bank, would help people privatize old state enterprises at the grass roots -- with job retraining and small business loans. But Congress has refused to vote a penny for the U.S. share.

I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until Congress demonstrates the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and

the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

The United States' economic destiny is linked to Latin America's. When Latin America suffered its debt crisis of the 1980s, we suffered through a corresponding drop in trade. With the rise of democracy and economic reform, U.S. exports to Latin America have surged by nearly one-third in just two years -- from \$49 billion in 1989 to \$63 billion in 1991. This is a much faster rate of growth than for our exports to Asia or Europe. It points to the fact that a stable, prosperous Latin America is a natural market for United States goods and services. Strengthening our neighbors' economies will result in more exports and more good jobs for people in the United States.

When any of us speak with our friends outside the Western Hemisphere, we need to assure them as clearly as possible: There is nothing exclusionary in our vision of open trade and economic integration in our hemisphere. Our aim is simply to lower barriers to economic freedom within and among the nations of the Western Hemisphere -- not, I repeat, not -- to create any barriers between ourselves and the nations of Africa, Europe and Asia. All of our aims are consistent with the global policies of GATT -- and I would just like to commend the superb leadership of Arthur Dunkel, GATT's Director General, who spoke to you earlier today. And I want to assure you I urgently want to open up global markets through success with the Uruguay Round.

If the equivocators and the pleaders for special interests want to debate this, bring them on. \\ I will take the case for increased trade to the people in every corner of the United States. And I'll make this abundantly clear: Free trade means more exports, more investment, more choices, more jobs for Americans. This great country is the Number One exporter in the world -- over \$422 billion last year -- and we intend to pursue trade policies to keep that growth up now and in the future. We'll knock down barriers wherever we find them -- to open markets, for instance, for our computer software, movies, books and pharmaceuticals. We will fight hard against protectionism both at home and abroad.

Five centuries ago, a man of courage and vision set sail from Europe searching for new trade routes and opportunities. He defied the timid counsel of those who said the earth was flat. Christopher Columbus's voyage to the Americas transformed human history.

Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for

cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest, democratic, limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

#

THE WHITE HOUSE
WASHINGTON

April 22, 1992

MEMORANDUM FOR THE PRESIDENT
THROUGH: DAVID DEMAREST *DD*
FROM: JOSEPH P. DUGGAN *JD*
SUBJECT: FORUM OF THE AMERICAS

I. SUMMARY

On Thursday, April 23, at 8:00 p.m. at the Sheraton Washington, you will address 500 U.S. and Latin American businessmen at the Forum of the Americas.

II. DISCUSSION

The remarks (18 minutes, on teleprompter) discuss how the spread of real democracy in Latin America has made increased prosperity possible through trade. The case is made for the North American Free Trade Agreement, and there is a call for Congress to support the Enterprise for the Americas Initiative.

Duggan/Simon
April 22, 1992
Draft Five
Trade

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
8:00 p.m.

[Acknowledgments]

I can't think of a more important moment than now to convene this Forum on the Americas. Over the last three years, we have seen our world transformed: The Berlin Wall torn down and Germany peacefully unified; the people of eastern Europe and the Soviet Union liberated from communism; and in South Africa an historic vote to reject apartheid. We have seen Arab neighbors negotiating for the first time face-to-face with Israel; and a worldwide coalition, under the banner of the United Nations, stand up, and turn back, Iraqi aggression against Kuwait.

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Alongside this economic revolution, we have witnessed and worked to support a political revolution every bit as far-reaching and every bit as powerful. Two years after Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. After 12 years of civil war, El Salvador is at peace. In Central America, civilian presidents hold office in each country, and the principle of consent of the governed is now firmly established. In South America, Chile and Paraguay have rejoined the community of democracies.

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For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military dictatorship, for the stubborn holdouts for economic isolation - - I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: Democracy's rebirth led Argentina and Brazil to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

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Thank you, and may God bless all of you.

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OFFICE OF THE
UNITED STATES TRADE REPRESENTATIVE

FACSIMILE

April 21 , 1992
Page 1 of 1

<u>Location</u>	<u>Name</u>	<u>Phone</u>	<u>Fax #</u>
	Kathy Shanahan	456-1605	
	Joe Duggan	456- 6220 6218	

FROM: Michael Brownrigg (ph 395-6850, fax: 395-3390)
Executive Assistant to the USTR

SUBJECT: Additional suggestions for the President's speech

PAGE 7

[Bottom of second full para] "...policies of GATT -- and here I would just like to commend Arthur Dunkel, the Director General of the GATT, for his superb leadership during these difficult negotiations -- indeed, we ..."

[Next para]

"... abundantly clear: Free trade
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Five centuries ago etc etc.

Note - the President will be announcing trade actions on intellectual property next Wednesday, 4/29.

Duggan/Simon
April 21, 1992
Draft Four
Trade

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~~Special Interests~~

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Our economic future must not depend upon those who pay lip service to free trade - but seek source to special interests

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The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade and investment need our support. They are the true liberators of our era. True success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

Economic reform must also include honest government. Corruption is the enemy of both growth and democracy. New investment will flow only where the rule of law is secure, the courts are fair, and bidding processes are open to all.

To support reformers -- to realize the hopeful new vision in Latin America -- the United States Congress must meet its responsibility. I asked Congress for \$310 million in this fiscal year under the Enterprise for the Americas Initiative. With that authority we could write off more than \$1 billion in the hemisphere's official debts and generate millions of dollars to preserve the environment. But Congress has refused to approve any funds for this purpose.

I've helped persuade our allies in Europe and Japan to contribute nearly two-thirds of a \$1.5 billion fund to help Latin American reformers. This fund, administered by the Inter-American Development Bank, would help people privatize old state enterprises at the grass roots -- with job retraining and small business loans. But Congress has refused to vote a penny for the U.S. share.

I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until Congress demonstrates the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

The United States' economic destiny is linked to Latin America's. When Latin America suffered its debt crisis of the 1980s, we suffered through a corresponding drop in trade. With the rise of democracy and economic reform, U.S. exports to Latin America have surged by nearly one-third in just two years -- from \$49 billion in 1989 to \$63 billion in 1991. This is a much faster rate of growth than for our exports to Asia or Europe. It points to the vital fact that a healthy, stable, prosperous Latin America is a natural market for United States goods and services. Strengthening our neighbors' economies will result in the benefit of more exports and more good jobs for people in the United States.

When any of us speak with our friends outside the Western Hemisphere, we need to assure them as clearly as possible: There is nothing exclusionary in our vision of open trade and economic integration in our hemisphere. Our aim is simply to lower barriers to economic freedom within and among the nations of the Western Hemisphere -- not, I repeat, not -- to create any barriers between ourselves and the nations of Africa, Europe and Asia. All of our aims are consistent with the global policies of GATT -- indeed, we urgently want to open up global markets through the current Uruguay Round of the GATT talks.

If the equivocators and the pleaders for special interests want to debate this, bring them on. \\ I will take the case for increased trade to the people in every corner of the United States. And I'll make this abundantly clear: Free trade

multiplies choices for consumers. It lowers real prices and increases quality. And it creates and enhances jobs. Every billion dollars in U.S. exports supports 20,000 jobs in the United States.

Five centuries ago, a man of courage and vision set out from Europe searching for new trade routes and opportunities. He defied the timid counsel of those who said the earth was flat. Christopher Columbus's voyage to the Americas transformed human history.

Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest, democratic, limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/20/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUESDAY, 4/21/92 2:00pm

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
THURSDAY, APRIL 23, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
<i>John McShane</i> SCOWCROFT <i>3860</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER <i>MC</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH <i>(At Home)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS <i>MC</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 p.m., TUESDAY, APRIL 21, with a copy to this office. Thank you.

RESPONSE:

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

02 APR 20 P2:18

Duggan/Simon
April 20, 1992
Draft Three
Trade

PRESIDENTIAL REMARKS:

FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
[TIME]

[Acknowledgments]

I can't think of a more important moment than now to convene this Forum on the Americas. Over the last three years, we have seen our world transformed: The Berlin Wall torn down and Germany peacefully unified; the people of eastern Europe and the Soviet Union liberated from communism, and the Baltic nations freed; in South Africa an historic vote to end apartheid. We have seen frontline Arab states, negotiating for the first time face-to-face with Israel; and a worldwide coalition, under the banner of the United Nations, stand up, and turn back, Iraqi aggression against Kuwait.

These revolutionary changes fill me with hope for the future. Yet, nowhere in my three years as President have I witnessed more dramatic, far-reaching, or more hopeful change than here in our own hemisphere.

Here in the Americas, we have it in our power to create something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more capital is flowing into the Americas for new investments than is flowing out as flight capital. In country after country, the hyperinflation

that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned. Barriers to trade and investment are coming down. Go to the financial centers of the world and they will give you the same message: The most exciting region for growth and investment is Latin America.

Alongside this economic revolution, we have witnessed a political revolution, every bit as far-reaching and every bit as powerful. Two years after Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. After 12 years of civil war, El Salvador is at peace. In Central America, civilian presidents hold office in each country, and the principle of consent of the governed is now firmly established. In South America, Chile and Paraguay have rejoined the community of democracies.

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders.

Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military

dictatorship, for the stubborn holdouts for economic isolation -
- I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: The new birth of democracy led Brazil and Argentina to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap

markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\\

I've made it a top priority to conclude a free trade agreement opening Mexico's markets to Canada and the United States. We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and still benefit from the fresh air of competition. Well, you and I know that is simply not possible. We can't have it both ways. I will fight to tear down economic barriers with Mexico and throughout the hemisphere -- and I'll fight any special interest that tries to stand in our way. \\\

A common market of the United States, Mexico and Canada would be the largest in the world -- 360 million consumers in a \$6 trillion economy. Mexico is the fastest growing national market for U.S. exports today. Over the last five years, since Mexico began opening its markets and joined the GATT organization, American merchandise exports to Mexico have increased from \$12.4 billion to \$31.3 billion. Our exports of autos, auto parts, and telecommunications equipment to Mexico have doubled; our exports of corn have tripled.

It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased

their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania and Florida -- as well as Texas, California and Arizona.

A North American Free Trade Agreement would create over 360,000 American jobs. It could increase our trade with Mexico by \$10 billion. It would create competitive efficiencies and economies of scale that will help American companies compete in world markets.

Free trade with Mexico will make both of us winners in economic endeavor -- but our relationship goes well beyond trade. We share a border two thousand miles long. We're linked by centuries-old ties of family and culture. I share a warm friendship with President Carlos Salinas -- as close a relationship as I enjoy with any other foreign leader. President Salinas is a bold and imaginative leader -- and I am committed to working with him to forge an enduring friendship between our countries, based on open trade, cooperation and mutual respect.

The North American Free Trade Agreement is only a beginning. Our Enterprise for the Americas Initiative aims to open markets, expand investment flows, reduce official debt, and strengthen the environment throughout the hemisphere. During just the past year, we've seen three new debt agreements, three new environmental agreements, and 31 new framework agreements for opening trade. Enterprise for the Americas reflects a revolution in thinking. Through this initiative, the United States is not seeking to impose our ideas on our neighbors. Rather, our

program is designed to empower them to succeed with reforms they have chosen to undertake.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade need and deserve our support. They are the true liberators of our era. Their success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

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Thank you, and may God bless all of you.

#

WHITE HOUSE STAFFING MEMORANDUM



DATE: 4/20/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUESDAY, 4/21/92 2:00p

SUBJECT: PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS THURSDAY, APRIL 23, 1992

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 p.m., TUESDAY, APRIL 21, with a copy to this office. Thank you.

RESPONSE:

April 22, 1992

TO: DAN MCGROARTY

The NSC concurs with changes, as noted.

Brent Scowcroft
Brent Scowcroft

cc: Assistant to the President and Staff Secretary Philip D. Brady

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

02 APR 20 P2:18

Duggan/Simon
April 20, 1992
Draft Three
Trade

PRESIDENTIAL REMARKS:

FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
[TIME]

[Acknowledgments]

I can't think of a more important moment than now to convene this Forum on the Americas. Over the last three years, we have seen our world transformed: The Berlin Wall torn down and Germany peacefully unified; the people of eastern Europe and the Soviet Union liberated from communism, and the Baltic nations freed; in South Africa an historic vote to end apartheid. We have seen frontline Arab states, negotiating for the first time face-to-face with Israel; and a worldwide coalition, under the banner of the United Nations, stand up, and turn back, Iraqi aggression against Kuwait.

These revolutionary changes fill me with hope for the future. Yet, nowhere in my three years as President have I witnessed more dramatic, far-reaching, or more hopeful change than here in our own hemisphere.

Here in the Americas, we ^{are well on the way to creating} [have it in our power to create] something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more ^{private} capital is flowing into the Americas for new investments than is flowing out, ~~as flight capital~~. In country after country, the hyperinflation

that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned. ^{New para.} Barriers to trade and investment are coming down. Go to the financial centers of the world and they will give you the same message: ^{One of} ~~The most exciting region~~ ^{regions} for growth and investment is Latin America.

Alongside this economic revolution, we have ^{and supported} witnessed ^a political revolution, every bit as far-reaching and every bit as powerful. Two years after Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. After 12 years of civil war, El Salvador is at peace. In Central America, civilian presidents hold office in each country, and the principle of consent of the governed is now firmly established. In South America, Chile and Paraguay have rejoined the community of democracies.

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders, ^{with whom we have worked closely} in the pursuit of common goals.

Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military

The new spirit was demonstrated in June of last year, when the OAS General Assembly passed a resolution designed to strengthen the international response to threats to democracy.

dictatorship, for the stubborn holdouts for economic isolation -
- I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: The new birth of democracy led Brazil and Argentina to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap

designed to remove all tariffs on trade between the U.S., Canada, and Mexico. This agreement will build on our historic free trade agreement with Canada. The success of the FTA with Canada demonstrates how a free trade agreement can benefit all concerned.

4

markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\\

I've made it a top priority to conclude a free trade agreement, ~~opening Mexico's markets to Canada and the United States~~. We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and still benefit from the fresh air of competition. Well, you and I know that is simply not possible. We can't have it both ways. I will fight to tear down economic barriers with Mexico and throughout the hemisphere -- and I'll fight any special interest that tries to stand in our way. \\\

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It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased

EC is larger 360 trnsd \$9 tril.

their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania and Florida -- as well as Texas, California and Arizona.

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*Brady?
Plan*

Very awkward

program is designed to empower them to succeed with ^{economic and political} reforms they have chosen to undertake.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade ^{and investment} need and deserve our support. They are the true liberators of our era. ^{True} ~~Their~~ success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

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I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until ~~I get a~~ Congress demonstrate ~~with~~ the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

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But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for ^{democratic,} honest and ^{efficient} ~~limited~~ government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

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THE WHITE HOUSE

WASHINGTON

April 21, 1992

92 APR 22 4 8: 28

MEMORANDUM FOR DAN MCGROARTY

FROM: ROGER B. PORTER *RBP*
SUBJECT: Forum of the Americas Speech

This is a good speech. It makes clear the President's strong personal commitment to the hemisphere. It describes the need for action by the Congress to implement the debt pillar of the Enterprise for the Americas.

We have only a few suggestions:

Page 4. 1st paragraph. "I've made it a top priority to conclude a free trade agreement designed to remove all tariffs and trade barriers between Canada, Mexico, and the United States. Our objective is a unified North American market that builds on the historic U.S.-Canada Free Trade Agreement."

Explanation: Current text could be read to imply that Mexico is the only country opening its market. NSC advises that a reference to Canada may help allay current trade tensions.

Page 5. 3d paragraph. Break out new paragraph as follows:

Enterprise for Americas reflects a revolution in thinking. We must break out of the imprisoning ideas of the past. Just as our ties with Russia and the former Soviet states have moved beyond Cold War containment, we must move in this hemisphere -- beyond traditional U.S. paternalism and beyond Latin American dependence. Our program is designed to empower Latin Americans to succeed with free market economic reforms they have chosen on their own -- ideas developed in Latin America for Latin Americans. Let us forge a new hemispheric partnership based on open markets, free trade, mutual benefit, and mutual respect.

Explanation. To fend off press criticism that we aren't announcing any new initiatives, it might be useful to make clear that EAI itself represents a sharp break with traditional U.S. policy toward Latin America.

Page 6. Insert Treasury paragraph describing EAI if available.

Page 7. Insert paragraph describing economic benefits for U.S.:

"Our economic prosperity depends in part on trade with Latin America. During the 1980s, the debt crisis led to the collapse of U.S. exports to the Latin America, and contributed to our trade deficits. As Latin America is reborn under democracy and economic reform, U.S. exports to Latin America have surged by nearly one-third -- from \$49 billion in 1989 to \$63 billion in 1991. They have grown much faster than our exports to Asia and Europe. In short, a healthy, stable, and prosperous Latin America represents a natural market for American goods and services."

Explanation. It is important to make clear that EAI represents a win-win situation for the United States and Latin America.

WHITE HOUSE STAFFING MEMORANDUM

WARREN

DATE: 4/20/92 ACTION/CONCURRENCE/COMMENT DUE BY: TUESDAY, 4/21/92 2:00pm

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
THURSDAY, APRIL 23, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, Rm. 122, x2930, no later than 2:00 p.m., TUESDAY, APRIL 21, with a copy to this office. Thank you.

RESPONSE:

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

2 APR 20 P2:18

Duggan/Simon
April 20, 1992
Draft Three
Trade

PRESIDENTIAL REMARKS: FORUM OF THE AMERICAS
SHERATON WASHINGTON HOTEL
WASHINGTON, D.C.
THURSDAY, APRIL 23, 1992
[TIME]

[Acknowledgments]

I can't think of a more important moment than now to convene this Forum on the Americas. Over the last three years, we have seen our world transformed: The Berlin Wall torn down and Germany peacefully unified; the people of eastern Europe and the Soviet Union liberated from communism, and the Baltic nations freed; in South Africa an historic vote to end apartheid. We have seen frontline Arab states, negotiating for the first time face-to-face with Israel; and a worldwide coalition, under the banner of the United Nations, stand up, and turn back, Iraqi aggression against Kuwait.

These revolutionary changes fill me with hope for the future. Yet, nowhere in my three years as President have I witnessed more dramatic, far-reaching, or more hopeful change than here in our own hemisphere.

Here in the Americas, we have it in our power to create something mankind has never seen: a hemisphere wholly free and democratic, with prosperity flowing from open trade.

From Mexico City to Buenos Aires, that vision is becoming a reality. For the first time in many years, more capital is flowing into the Americas for new investments than is flowing out as flight capital. In country after country, the hyperinflation

that devastated the region's economies, particularly its poor, has been halted. In nearly every nation, real growth has returned. Barriers to trade and investment are coming down. Go to the financial centers of the world and they will give you the same message: The most exciting region for growth and investment is Latin America.

Alongside this economic revolution, we have witnessed a political revolution, every bit as far-reaching and every bit as powerful. Two years after Operation Just Cause, Panama has replaced the repression of the Noriega era with freedom and democracy. After 12 years of civil war, El Salvador is at peace. In Central America, civilian presidents hold office in each country, and the principle of consent of the governed is now firmly established. In South America, Chile and Paraguay have rejoined the community of democracies.

This peaceful revolution throughout the Americas did not happen by accident. It is the work of a new generation of courageous and committed democratic leaders.

Consolidating this revolution will not be easy. Millions of people in our hemisphere are still mired in poverty and political alienation. Recent events in Haiti, Venezuela, and Peru remind us that democracy is still fragile and faces continued dangers. In all our nations, powerful special interests cling to old ideas and privileges, promote protectionism, and resist expanded trade.

For the diehards -- for Castro's totalitarian regime, for those in the hemisphere who would turn the clock back to military

dictatorship, for the stubborn holdouts for economic isolation -
- I want to make one point clear: Hundreds of millions of Latin Americans share a faith in human freedom and opportunity. And I stand with them. As long as I am President, the United States will devote its energies to the true and lasting liberation of the people of the Western Hemisphere.

Sharing the democratic spirit makes a difference on every issue we care about: The new birth of democracy led Brazil and Argentina to join hands to halt the spread of nuclear arms. Democracy energized Brazil to slow deforestation of the Amazon rainforest. Democracy gave Argentina the will to stop the Condor ballistic missile program financed by Libya and Iraq. Colombia's democracy is leading the fight against the drug trade. And the restored democracy in Panama has passed tough new laws to combat money laundering.

And make no mistake: Political and economic freedom are inseparable. Just as people have a God-given right to choose who will govern them, they also must be free to make their own economic choices. And when we lift barriers to economic freedom within and among our countries, we unleash powerful forces of growth and creativity.

Before I leave office -- and please be assured, my timeframe is years, not months from now -- I want manufacturers in Pittsburgh to enjoy virtually the same access to markets in Monterrey as they now have in Minneapolis. With new technologies, creators of services in Denver may be able to tap

markets in Santiago as readily as those in Chicago. And I'll work to assure that government protection and excessive regulation don't stand in their way. To do this, we'll have to overcome the stunted vision of the special interests. And I am determined that we can and will do exactly that. \\

I've made it a top priority to conclude a free trade agreement opening Mexico's markets to Canada and the United States. We can't achieve this breakthrough by equivocating between the status quo protectionists and the movement for freedom and change. Some suggest that we can hide in a cocoon of protection and still benefit from the fresh air of competition. Well, you and I know that is simply not possible. We can't have it both ways. I will fight to tear down economic barriers with Mexico and throughout the hemisphere -- and I'll fight any special interest that tries to stand in our way. \\

A common market of the United States, Mexico and Canada would be the largest in the world -- 360 million consumers in a \$6 trillion economy. Mexico is the fastest growing national market for U.S. exports today. Over the last five years, since Mexico began opening its markets and joined the GATT organization, American merchandise exports to Mexico have increased from \$12.4 billion to \$31.3 billion. Our exports of autos, auto parts, and telecommunications equipment to Mexico have doubled; our exports of corn have tripled.

It's not just the border states that profit from this growth. During my presidency, 45 of our 50 states have increased

their exports to Mexico. Our top 10 exporters to Mexico today include Michigan, Illinois, New York, Louisiana, Pennsylvania and Florida -- as well as Texas, California and Arizona.

A North American Free Trade Agreement would create over 360,000 American jobs. It could increase our trade with Mexico by \$10 billion. It would create competitive efficiencies and economies of scale that will help American companies compete in world markets.

Free trade with Mexico will make both of us winners in economic endeavor -- but our relationship goes well beyond trade. We share a border two thousand miles long. We're linked by centuries-old ties of family and culture. I share a warm friendship with President Carlos Salinas -- as close a relationship as I enjoy with any other foreign leader. President Salinas is a bold and imaginative leader -- and I am committed to working with him to forge an enduring friendship between our countries, based on open trade, cooperation and mutual respect.

The North American Free Trade Agreement is only a beginning. Our Enterprise for the Americas Initiative aims to open markets, expand investment flows, reduce official debt, and strengthen the environment throughout the hemisphere. During just the past year, we've seen three new debt agreements, three new environmental agreements, and 31 new framework agreements for opening trade. Enterprise for the Americas reflects a revolution in thinking. Through this initiative, the United States is not seeking to impose our ideas on our neighbors. Rather, our

program is designed to empower them to succeed with reforms they have chosen to undertake.

The courageous Latin American leaders who are reforming their economies and breaking down barriers to trade need and deserve our support. They are the true liberators of our era. Their success will mean opening up statist systems formerly rigged to protect wealthy elites and closed to working people and the poor. Free market reforms will banish burdensome regulations that now prevent the urban poor from starting new businesses or campesinos from gaining access to credit and title to their land.

Economic reform must also include honest government. Corruption is the enemy of both growth and democracy. New investment will flow only where the rule of law is secure, the courts are fair, and bidding processes are transparent.

To support reformers -- to realize the hopeful new vision in Latin America -- the United States Congress must meet its responsibility. I asked Congress for \$310 million in this fiscal year under the Enterprise for the Americas Initiative. With that authority we could write off more than \$1 billion in the hemisphere's debts and provide millions of dollars to preserve the environment. But Congress has refused to approve any funds for this purpose.

I've helped persuade our allies in Europe and Japan to contribute nearly two-thirds of a \$1.3 billion fund to help Latin American reformers. This fund, administered by the Inter-American Development Bank, would help people privatize old state

enterprises at the grass roots -- with job retraining and small business loans. But Congress has refused to vote a penny for the U.S. share.

I'll keep on fighting for these vital programs of the Enterprise for the Americas Initiative until I get a Congress with the vision and fortitude to provide the support they deserve. If we can aid the transformation of Eastern Europe and the old Soviet Union -- and we must do so -- then we can and we must help our closest neighbors on their peaceful road to true liberation and prosperity.

When any of us speak with our friends outside the Western Hemisphere, we need to assure them as clearly as possible: There is nothing exclusionary in our vision of open trade and economic integration in our hemisphere. Our aim is simply to lower barriers to economic freedom within and among the nations of the Western Hemisphere -- not, I repeat, not -- to create any barriers between ourselves and the nations of Africa, Europe and Asia. All of our aims are consistent with the global policies of GATT -- indeed, we urgently want to open up global markets through the current Uruguay Round of the GATT talks.

If the equivocators and the pleaders for special interests want to debate this, bring them on. \\ I will take the case for increased trade to the people in every corner of the United States. And I'll make this abundantly clear: Free trade multiplies choices for consumers. It lowers real prices and increases quality. And it creates and enhances jobs. Every

billion dollars in U.S. exports supports more than 20,000 jobs in the United States.

Five centuries ago, a man of courage and vision set out from Europe searching for new trade routes and opportunities. He defied the timid counsel of those who said the earth was flat. Christopher Columbus's voyage to the Americas transformed human history.

Today, we still have to combat the flat-earth mentality -- the mindset that urges us to barricade our borders against competition, to shut off the free exchange of food and machinery and skills and ideas.

But the future doesn't belong to the status quo. It is the legacy of people like yourselves -- people with far-sighted vision and a spirit of enterprise. The future awaiting the Americas is a time of rediscovery. A time for empowering the poor through new investment, trade and growth. A time for cultural renewal. Our efforts -- and the efforts of millions of citizens of the Americas -- can achieve new gains for honest and limited government. Together we can usher in a new order of peace and prosperity animated by personal freedom.

Thank you, and may God bless all of you.

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