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COMMENTS: COMMENTS TO VINCA LAFLEUR X 6-9376 BY 4 PM APR 14TH

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ACTION DATA SUMMARY REPORT

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WHITE HOUSE STAFFING MEMORANDUM

Date:

4/13/98

ACTION / CONCURRENCE / COMMENT DUE BY:

4/14/98

4:00 PM

Subject:

REMARKS TO BUSINESS LEADERS (SANTIAGO)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☒	☐	McCURRY	☐	☒
BOWLES	☒	☐	McGINTY	☐	☐
McLARTY	☒	☐	NASH	☐	☐
PODESTA	☒	☐	REED	☒	☐
MATHEWS	☒	☐	RUFF	☐	☐
RAINES	☐	☐	SMITH	☐	☐
BEGALA	☒	☐	SOSNIK	☒	☐
BERGER	☒	☐	SPERLING	☒	☐
BLUMENTHAL	☒	☐	STEIN	☒	☐
ECHAVESTE	☒	☐	STERN	☐	☐
EMANUEL	☒	☐	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☒	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☒	☐		☐	☐
LINDSEY	☐	☐		☐	☐
MARSHALL	☐	☐		☐	☐
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REMARKS:

COMMENTS TO VINCA LAFLEUR (6-9376)

RESPONSE:

4/11/98 3PM – DRAFT

**PRESIDENT WILLIAM JEFFERSON CLINTON
REMARKS TO BUSINESS LEADERS
SANTIAGO, CHILE
APRIL 16, 1998**

Acknowledgments: President Frei, President of AmCham, Chilean business leader [TK]

I am pleased to be joined by a strong American delegation – the Secretary of State, the Attorney General, the Secretary of Education, the Secretary of Commerce, the Secretary of Energy, the National Security Advisor, the U.S. Trade Representative, my Special Envoy for the Americas, our Director for National Drug Control Policy, and [how many] distinguished Members of Congress – [WHO].

Their presence reflects the importance we attach to our growing relationship with Chile. I'm told that when this city was first founded in 1541, it was called Santiago del Nuevo Extremo [new-AY-vo ex-TREH-mo] – Santiago of the New Frontier. Now, on the verge of the 21st century, this place is once again a window through which we can see tomorrow's horizon, with a vibrant society and thriving middle class, a flourishing open economy and a commitment to liberty. All of you are helping to build that bright future for your country and our region as a whole.

The Summit of the Americas that President Frei will host this weekend is testament to the promise before us. Never have the Americas been so united in values, interests and goals. Chile and the United States are seizing this promise, as the scope of our partnership shows -- fighting poverty... improving the quality of justice systems... reducing the harm from El Nino... stemming the spread of dangerous weapons in Iraq... promoting peace among our neighbors.

Nowhere are the opportunities greater, and the promise of our partnership more evident, than in helping the nations and the people of the Americas succeed in the global economy.

When it comes to sound economic reform, Chile has set a standard for the hemisphere – with prudent fiscal and credit policies, tough supervision of the financial sector, open trade and investment and, most important, a commitment to lift its people's lives. Between 1990 and 1997, economic growth averaged 7 percent a year. Inflation dropped from almost 30 percent to 6. The level of Chile's domestic savings is unparalleled in Latin America. And millions of Chileans rose out of poverty.

Chile stands at the vanguard of a new American revolution, as nations cast off the failed policies of the past and point their markets toward the future. Many challenges remain, to be sure, but progress is unmistakable. Markets are opening up. Trade barriers are coming down. Nations have reined in runaway inflation. When I visited last year, Brazil's Finance Minister told me their inflation was 5 percent, the same as a few years earlier – but now it is 5 percent a year, not 5 percent each week. And in Central America, where deadly conflicts raged for three decades, peace and stability have taken hold. Growth and integration are taking off.

As a result, Latin America and the Caribbean have just enjoyed one of their best economic years

in decades, combining an average growth rate of more than 5% with the lowest rate of inflation in 50 years.

This growth has spurred, and been spurred by, an explosive increase in commerce within this hemisphere and the world. And it's not just goods that are flowing across our borders. Between 1991 and 1996, the number of minutes for telephone calls from the United States to South America nearly tripled. In that same period, the number of planes that left Miami for Central and South America surged by 20 percent. Young people from our countries are studying in each other's schools and colleges in ever increasing numbers. These exchanges of people and ideas, as well as goods and services, enrich our societies, our cultures and our way of life.

Just as integration means flows of products, people and information, it also means flows of capital. This region has worked hard to strengthen its financial systems while continuing to reap the benefits of foreign investment. It was just one month after our Miami Summit in 1994 that the Mexican peso crisis struck. But Latin America learned the right lessons, deepening its reforms instead of closing its doors. Mexico is back and is now my country's second largest export market. Asian leaders look to Latin America for advice on financial reform.

Argentina fundamentally restructured its banking system. Mexico is breaking new ground on financial transparency, such as publishing economic and financial data on the Internet. Chile, Mexico, Argentina, Peru and Colombia subscribe to the IMF's new standards on openness. Last December, our Finance Ministers committed in Santiago to tighten banking supervision; fight money laundering; and provide new credit to the smallest entrepreneurs.

Of course, we know there is more to do to consolidate these gains. But Latin America has found its voice, its confidence and its seat at the international table.

The United States is delighted by our neighbors' progress. Our futures are joined like a cord that gains its strength from many threads that are tightly intertwined. Today, more than 40% of our exports go to our hemispheric neighbors. Our exports in this region are growing more than twice as fast as anywhere else in the world. Each year, we sell more to Chile than to India; more to Brazil than to China. And with three of our four top energy suppliers in the Americas, this hemisphere literally fuels our growth.

The United States will continue to support emerging economies worldwide. We have, after all, just 4 percent of the world's people. We can only maintain our own standard of living if countries like Chile grow. Your prosperity lift ours just as a healthy U.S. economy lifts yours. If there are more good jobs here with higher incomes, if more people have a chance to reach their full potential, then you can be an even stronger partner, not only for us but all around the world.

America will also keep leading for open markets. Because when workers, farmers and business people gain access to new markets, it means new jobs – and when consumers can benefit from lower-cost imports, that means more money in their pockets. In turn, these mean better education and health care for their families and a more secure retirement. In the last five years, the United States has concluded more than 220 [TK] market-opening agreements. [I'm pleased to say President Frei and I have just concluded one more: an Open Skies agreement between our

two nations – our first in South America. Between 1991 and 1996, the number of planes leaving Miami for Chile soared 179%. Now our business travelers, tourists and families will enjoy more choice and lower prices.]

At our Summit this weekend, we'll take the next step toward open trade in our hemisphere as we launch comprehensive negotiations for the Free Trade Area of the Americas. The FTAA will embrace 800 million consumers from Alaska to Argentina. It will create opportunities for producers throughout the Americas – and new jobs and higher living standards for our workers. It will eliminate tariffs, which are four times higher in the rest of the hemisphere than in the United States. It will help lock in the market reforms throughout the hemisphere which are so crucial to continued growth. I'm especially pleased that, for the first time ever, a special committee has been created to expand the role of environmental and labor groups in our trade deliberations. All stakeholders will have access to the process. Their voices and concerns will be heard.

As our trade within the hemisphere expands, the benefits for America's workers, companies and consumers make clear why Fast Track trading authority remains an essential priority. This tool will help us shape our trade agenda to maximize our interests and ideals – not only in the Americas but around the world. I am committed to work with Congress to build support for Fast Track. But make no mistake: Even before we secure Fast Track, our agenda of opening markets and creating jobs will stay in the fast lane. So will our engagement with this hemisphere, where so much of our destiny lies.

Even as we seize the opportunities of the new economy, all our nations must do more to ensure that its benefits and burdens are shared fairly. With the greatest respect to President Kennedy, a rising tide doesn't necessarily lift all the boats, unless we make a special effort to make it so. Without wise policies and strong institutions in this fast-paced global economy, people without the right training and skills could be stranded on yesterday's shore – while those without the tools to navigate change could sink in its surging waves. If people lose faith that democracy and free markets will help them improve their lives, the public support that is the backbone of democracy could weaken and even collapse. So even as we encourage more business contracts, we must not renege on the social contract. We need to find ways to give everyone a place in the future we are building.

We must start with our children, who are the future, by assuring they have a world-class education – the best path out of poverty. And we must give every child a chance to go to school by getting them out of the workplace. The United States is working with Central America to launch a new initiative to combat child labor while helping parents find good jobs. And earlier this year, I asked Congress to increase ten-fold our investment in combating child labor worldwide. Today, I ask other countries to join that fight.

We must deepen democracy, including a free press and an honest, efficient judiciary. More than any other form of government, democracy honors all its people with rights, respect, a chance to get ahead and a voice in the decisions that affect their lives. We must insist on strong protections for workers so that trade enhances living standards instead of undermining them. We must reduce the gap between rich and poor – which is wider in Latin America than any region in the

world. We must fight the corruption, drugs and crime that erode the fabric of our societies. And we must invest in the future by protecting our environment, so the price for growth is not poisoned rivers and polluted air.

Harnessing the forces of globalization to work for all our citizens is a challenge for countries worldwide. I discussed it with leaders in Africa as they work to establish the foundations of democracy and broad-based growth. It will be a major focus of our Summit of the Americas, where, now that free market democracy is in place, we are taking on the next generation of reforms to make democracy deliver for all our people. It will be at the top of the agenda next month at the G-7 Summit in Birmingham, where the industrialized democracies are working to prepare their people for the 21st century. We all stand to gain from working together – and we have much to learn from each other.

Earlier today, I went with President Frei to a neighborhood in South Santiago, where we met with community leaders engaged in grassroots reform. We talked about every day issues like education, health care and jobs – the things that matter most to working families from Santiago to San Francisco. I heard from them about [examples of real concerns, real projects]. And I learned how Chileans at every level of society are working to widen the circle of opportunity and help their country succeed.

I want our nations to work together to meet these challenges head-on. I'm especially impressed by President Frei's commitment to improve and expand access to education. In the new economy, education is the leading economic indicator. The key to your future is what you know. What you can learn is your hope. America's balanced budget includes the biggest new investment in education in more than 30 years. Chile has doubled its social spending since 1990, largely for education, with more classrooms, longer school days and better access for disadvantaged kids. Now, with our new agreement on education, we'll increase our exchanges of students and teachers; develop higher standards for learning and teacher training; and work to bring technology into every classroom, so every child has access to the same universe of knowledge, no matter how poor their background or how remote their school.

[We're also working to preserve our environment for future generations. One of the most severe challenges we face is the threat of global warming. I applaud President Frei for affirming today that all countries – developing and developed alike – should have emissions targets. As the largest emitter of greenhouse gases, the United States has a special responsibility to take strong action – and we are. But every country must do its part to solve this global problem. That does not mean that emerging economies must abandon their goals for growth. It means charting an energy course for the future that allows strong growth and environmental protection to go forward hand in hand.] [TBD]

Our cooperation in the Summit of the Americas has helped pave the way from Miami to Santiago and set clear goals for the future. Through bold commitments to improve education, support for a special rapporteur on freedom of expression, a center to strengthen justice systems, a new Hemispheric Alliance Against Drugs and additional steps to alleviate poverty, the Santiago Summit can make a real difference in our people's daily lives.

If we keep working to deepen democracy, promote prosperity and expand opportunity, we need

not fear the future. For can make the 21st century the best our people have ever known. But even as we reach for new horizons, let us hold to our most cherished ideals – liberty, justice, equality and dignity for all.

In 1811, as Chile struggled for independence, it chose July 4 – America's Independence Day – to dedicate its national flag. At a celebration held by U.S. citizens in Santiago, the American flag and the new Chilean banner were raised together in many public places, entwined with one another. Today, the partnership that image represents can fulfill its potential at last. As never before, our nations' goals and dreams are intertwined. Let us work together to make them real for tomorrow's generation. Let us make the Americas a model of hope and unity for the world.

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