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THE WHITE HOUSE

Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

October 14, 1997

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT CARDOSO
AT SIGNING OF DECLARATION ON EDUCATION

Garden of Alvorada Palace
Brasilia, Brazil

1:40 P.M. (L)

PRESIDENT CARDOSO: Mr. President of the United States of America, William Clinton, ladies and gentlemen, may I say to you first what a pleasure it is, Mr. President, for me and for Ruth, my wife, to welcome both you and Mrs. Clinton. And I'd like to take advantage of this opportunity to state our pleasure, and I'm quite sure the pleasure of the Brazilian people as a whole. This is particularly due to the excellent relations between the two of us, which I think makes it obvious to everyone that there is a friendship that joins these two Presidents, and that we share a great many interests -- and by "we," I mean our two peoples.

On both sides, we are interested in ensuring that we will draw closer together and bring our societies closer together as well in very practical ways. We've had a number of opportunities in which to chat. We've covered, I think, just about every problem that was on our agenda before this meeting, including the most general problems, such as peace throughout the world; including the possibility of working together in a number of situations which might require more direct action on the part of the United States or Brazil -- not just in our region, of course, but also views were exchanged, opinions were exchanged about a number of international problems as well. And I can assure you that we both agree with regard to the overall objective, which is to increase the prosperity of people on the Earth as a whole.

It is also our conviction that prosperity is something that needs to be made a general phenomenon. The prosperity of one nation should not harm the prosperity of any other nation, and nothing leads us to believe this. On the contrary; we feel that what's good for Brazil is good for the United States, and what's good for the United States is good for Brazil as well.

Just in terms of commercial relations, for example, the United States is our number one trading partner. But Brazil, as we like to say, is also a major global trader. We have excellent relations with the Mercosur countries, other countries in Latin America, with Europe and Asia, not to mention Africa. And it is with a full understanding of the comprehensive nature, the global nature of our relationships that we, in turn, have been able to reach a closer relationship.

We have underscored our commitment to the sort of endeavor that we have embarked upon, for example, in Mercosur, which is a very important part of our foreign policy in Brazil, which we feel to be an example of the success of the work of these four countries -- Paraguay, Uruguay, Brazil, Argentina, and now Chile as well.

Much agreement has been reached with regard to trade, democracy, keeping peace. And we also believe that by working together we can move towards the integration of the Americas as a whole in such a way as to avoid harming our Mercosur interests and in such a way as to avoid harming the interests of the NAFTA countries. But we should integrate the hemisphere as a whole in the line with the view that has already been expressed just a moment ago -- in other words, prosperity for all is best for each and every one.

On the other hand, it also became quite clear that we agree on a number of other issues, even at a personal level. For example, our take on problems is quite similar in our two countries. An example of that fact can be seen via the declaration that we are now signing in the area of education, one of the social area endeavors. I was extremely pleased when I heard President Clinton's State of the Union address, because he spoke about education and what he said certainly made me feel quite enthusiastic. What he said moved us. As a former professor and as two human beings, I'm sure that we agree that education is an instrument which will allow us to equalize relations within a society and to do away with so many of the differences and asymmetries that can exist among countries as well.

In this meeting we would like to reaffirm our full commitment to all the programs in the educational field as a symbol of our concern of the social issues. The integration that we are seeking to pursue as the regional, sub-regional and even at a broader level, as soon as that becomes timely, is going to be integration that will exclude no countries, no fragments within countries, either. Integration is designed to improve the standard of living of the peoples who integrate.

Another thing that we can go over is a list of key issues that have to do with, for example, the climate change. President Clinton, for example, holds the view that I think is quite proper vis a vis climate change. He talks about shared responsibility. He talks about the fact that responsibility should exclude no segment of humanity because the climate is something that involves the preservation of the conditions of life for future generations throughout the planet. So we must come up with mechanisms which will allow us to reduce the greenhouse gas effect. We should reduce the greenhouse gases, but in such a way as to ensure that we're not harming the interests or the development of any country -- the United States, Brazil or developing countries. These things should be done in a balanced way to ensure that we will solve the problems and do so in the best way for our countries, which is what we're going to try to do in Kyoto in December.

Another thing that we're doing is broadening our cooperation in the field of space studies in a clear demonstration of a number of possibilities that exist for cooperation between Brazil and the United States, certainly in terms of advanced technology.

I don't want to take up too much time, but may I reaffirm the fact that -- very simply, because we did cover such a broad range of topics -- the fact that we avoided no single topic is a clear sign that we can reach an understanding even upon those things that we have some slight misunderstandings on. And, of course, misunderstandings usually just reflect the interests of our individual countries that we, of course, must defend properly, but at the same time in a way which shows that we have an old friendship, a long-term friendship and this friendship allows us to deal with these issues in such a way.

I'd like to repeat something I said in the Panalto Palace. Since the second world war never have we seen so many possibilities for cooperation in so many broad fields --

certainly nothing compared to the many opportunities that are opening up for Brazil and the United States right now, which is why I'm particularly pleased to speak via the media to the peoples of our countries to reaffirm the tremendous satisfaction that I feel in being able to welcome this great President, Bill Clinton, in our country.

Thank you so much. (Applause.)

PRESIDENT CLINTON: Thank you very much, Mr. President. Let me begin by thanking you and Mrs. Cardoso and the representatives of your government for the warm welcome you have given to us, including our very large delegation, the senior members of our administration, a big percentage of our Cabinet and the distinguished delegation from Congress. We are delighted to be here.

I believe this visit marks a new phase in the long friendship between the United States and Brazil. This is clearly a unique moment of opportunity in the Americas. A quiet revolution is bringing our hemisphere together around common values of democracy, free markets, mutual respect and cooperation. It gives us the opportunity to advance the welfare, the freedom and the security of all of our people in a way that has not been possible before.

Because we have the largest economies and the most diverse populations in the hemisphere, Brazil and the United States have both a special ability and a special responsibility to help lead the Americas into the 21st century. Under President Cardoso's leadership, Brazil clearly is meeting that challenge in fulfilling its destiny as a great nation. Through your own remarkable economic reforms, your strategic partnership with Argentina, your leadership in Mercosur and throughout the hemisphere, and increasingly on the wider international stage, Brazil has helped to consolidate peace and democracy and to promote prosperity and stability.

Brazil and the United States share a fundamental belief that opening the markets of our hemisphere to trade and investment is the best way to create good jobs and strengthen democracy and cooperation in all our countries.

Three years ago, when we met at the Summit of the Americas in Miami, we pledged to pursue a free trade area of the Americas by early in the next century. Today, the President and I agreed that at the next Summit of the Americas in Santiago, we should

launch comprehensive and balanced negotiations to achieve that goal, turning our common agenda into a common plan of action.

If I might, I'd like to just speak a moment about what I think has been the cause of some misunderstanding between our two countries, which is the question of what the American attitude toward Mercosur is and what its relationship to our support for a free trade area of the Americas is.

I support Mercosur. I think it has been a good thing for Brazil, a good thing for all the member nations, a good thing for stability, for growth and cooperation in the region, and quite a good thing for the United States. Our exports to the Mercosur countries have grown substantially since 1991. And we believe that these sort of regional trade arrangements everywhere -- if they serve to open borders, to increase economic activities and to promote growth, promote stability and opportunity that benefit Americans.

We believe that we can create a free trade area of the Americas consistent with Mercosur and the leadership and role of Brazil and the other members in it. So to me, this is a false choice that we don't intend to ask the Brazilians, the Argentineans, or the other members of Mercosur to make. We believe we can build on this and go forward to a free trade area of the Americas.

Trade has produced about a third of the economic growth the United States has enjoyed since I became President in January of 1993. And I'm working hard to continue to expand our capacity to trade and to create good high-wage jobs in our own country by securing the presidential negotiating authority necessary to tear down more of the trade barriers of the past so that we can open wider the doors of the future to good jobs and higher incomes.

Now, let me say that as we promote more free markets and more free trade, I believe that all of us must work harder to extend their benefits to all citizens. No great democracy has succeeded in doing that so far. We know we have to begin by ensuring that all of our citizens receive the education and training they need to succeed in this new economy. And I applaud the President's emphasis on education. The education declaration we have just signed focuses on what I believe the keys to making education work in both our countries are.

First, high standards for what children must learn and testing to measure their progress. Second, training our teachers so that those to whom we entrust our children's future are, themselves, well-prepared. Third, intensive parent and community involvement. And fourthly, something the President has worked very hard on, access to technology to realize the possibilities of the information age for all our children.

In the United States we're working hard to make sure that every classroom and library in our country is hooked up to the Internet by the year 2000. We're giving discounted rates to our schools so that they can afford to be on the Internet. And we are finding something I am certain will be the experience in Brazil as well, and that is that very often the largest benefit of this technology revolution will flow to the children who are most in need, who tend to be in isolated rural or urban school districts where they have not had the chances and the opportunities many of our other children have. So I think that the Internet can be an instrument by which we democratize as well as increase the excellence of educational opportunity.

We've also agreed that we can't have today's progress at tomorrow's expense. The President talked a little bit about our common commitment to the environment. The clean energy agreement we have signed will help Brazil to continue to grow, fueled by renewable and efficient energy technologies. Our park services will work together to protect wetlands like the Everglades and the Pantanal Park in Brazil. We share Brazil's determination to conserve the Amazon, one of the most wondrous and biologically diverse environmental habitats in the world. The United States will contribute another \$10 million to the G-7's cooperative program with Brazil to sustain the rainforests. And we will help Brazil to put 21st century technology into this effort, including research done by Brazilians in space.

The fires throughout the Amazon have added urgency to these efforts, and the uncertainties about the climatic effects of this El Nino, both in South America and in the United States, have also added urgency to our efforts.

We did, as the President said, discuss the challenge of climate change. Five years ago in Rio, the world community began to chart a common course to reduce the greenhouse gas emissions that lead to global warming. Developed countries have a special responsibility to lead. I told President Cardoso that the United States will meet that responsibility with a commitment to limit our emissions when we meet in Kyoto on

December the 6th. But as we do our part, I believe so, too, must the developing world. Climate change, after all, is a global problem that requires a global solution.

So here is the question, it seems to me -- and I would like to talk a little about this because I think it's quite important -- I think it's very important that the people of Brazil understand that just as with the trade issue and Mercosur, the United States would never knowingly make any suggestion that would undermine the growth of Brazil or any other country. It is not in our interest. We, after all, only have 4 percent of world's people. We enjoy a very high standard of living. We can only maintain our own standard of living if you grow. If there are more good jobs for Brazilians, higher incomes, more people are brought into the social compact in this country, then you can be a stronger partner, not only for us, but for your neighbors in this continent and throughout the world.

So our strategy is to aggressively support the growth of the emerging economies of the world, the strength of their democracies, and our capacity to cooperate together. I do not believe that any reasonable person can look at the world of today and imagine the world of tomorrow and believe that America can gain by someone else's economic loss. We have an interest in finding a way to grow together.

By the same token, the world will not gain if some countries limit their greenhouse gas emissions and other countries grow in the same old way with the same old energy base so that the climate continues to warm more rapidly than it has at any time in the last 10,000 years.

So what we want to do is to find a way for the developing countries to fulfill their responsibilities within the framework of Kyoto, recognizing that those of us in developed countries must do more, but that we must all participate. And we want to be very explicit that any participation on your part would not come at the expense of economic growth.

Developing nations have an opportunity to chart a different energy future than some of the developed countries. And if we share our technology and we share our knowledge, then we can achieve that. This is very important.

Brazil has already gone a long way toward proving this point, because you have developed so many non-traditional fuels, biologically-based fuels, for running your vehicles. So you

have given evidence to the general point that I hope will be embraced by all the countries of the developing world. And I encourage that.

Finally, let me say, we talked about expanding our cooperation in regional and global security, and I want to say a word of appreciation to Brazil as the guarantor of the Peru-Ecuador peace process, and appreciation for its historic decision to join the Nuclear Non-proliferation Treaty and to sign the Comprehensive Test Ban Treaty. In all these actions, Brazil has taken its place as a world leader for peace and security.

Today, the Mutual Legal Assistance Treaty we signed will help us to crack down on drug production and trafficking and fight transnational crime in a way that benefits all of our people.

President Cardoso said two years ago when he visited me at the White House -- and I quote -- "The vocation of Brazil and the United States is to stand together." I believe we stand together today as never before. The issues we face are central to the well-being of both our peoples. The fate of our hemisphere, with strong democracies, a commitment to fight crime and drugs, to work for lasting peace, the future of the new economy, preparing our people for the 21st century -- that's what this trip is all about. These are all objectives we share, and they really matter to ordinary citizens in both our nations and throughout this hemisphere.

Thank you. (Applause.)

PRESIDENT CARDOSO: President Clinton, I'd like to ask you to begin if you don't mind.

Q Mr. President, Attorney General Reno has made her decision and will extend her inquiry into your telephone fundraising to determine whether a special counsel should be named. How do you feel about that hanging over you for another 60 days at least?

PRESIDENT CLINTON: I feel nothing about it. There is a law and there are facts. And I feel that it would be much better if she were permitted to do her job. I know I didn't do anything wrong. I did everything I could to comply with the law. I feel good about it. But I told you yesterday, the thing I don't feel good about is the overt, explicit, overbearing

attempt to politicize this whole process and to put pressure on more than one actor in it. That's wrong. There's a law. There's a fact-finding process. And I'm going to cooperate with it in every way I possibly can.

Q Mr. Clinton, will the recent -- between the European Union and Mercosur affect how you formulate your strategy for commerce in the Americas?

And for President Fernando Enrique, the question is, what is the relative importance of Europe as far as Brazil's commercial strategy or trade strategies concerned, especially vis a vis the United States?

PRESIDENT CLINTON: Well, first of all, if I were in Brazil I would be trying to sell as much as I could to America and to Europe. I think that's the way this market works. Both the European Union and the United States have increased our exports to Brazil and to the Mercosur countries in the last few years markedly. So I don't feel threatened by it, I just want to make sure we're fully competing. And if we don't fully compete, it will be our fault, not yours and not Europe's.

That's one of the reasons that I'm seeking fast track authority. It's up to the United States to decide whether it's going to be a fully competitive nation, but we have -- in the last two years, for the first time in a long time, more than half our new jobs have come in the higher wage categories. And it's the direct result of our aggressive pursuit of trade opportunities.

So I'm prepared to compete and all I want is a fair chance to compete with the Europeans here or anywhere else. But I don't see that as a bad thing. If I were in your position, I'd be trying to sell more to everybody.

PRESIDENT CARDOSO: Well, I believe that what President Clinton said is most helpful to us. The more competition we have between the United States and Europe for trade, the better it is for us because it makes our products much cheaper. So I agree with President Clinton. It is true that Brazil's number one individual client is the United States today. But the European Union, as a whole, or taken as a whole, imports and exports a bit more than the United States, actually. We are now, as I said before and I'm going to repeat this, global traders. We actually trade with a number of countries and areas

throughout the world and we're very interested in increasing these trade flows.

With regard to the United States, we have increased such trade flows. Unfortunately, we have an increasing trade deficit as a result of the increased trade with the United States. So we have to review this situation and try to balance it better to the benefit of both. We want to increase imports and exports. We don't want a zero-sum game and we don't want a game in which one loses and the other wins. We want a win-win situation in the trade arena.

That is why we say that our trade policy with Europe is very active. It will continue to be very active. But I agree wholeheartedly with President Clinton -- we cannot think about such economic blocks as isolated fortresses. They have been designed to increase trade, and we're going to take advantage of every opportunity that we can find to intensify our trade abroad, to sell things abroad. We will do so whenever we can. We're not going to close off our economy because our competitiveness, our progress in the area of technology and the cheapening of the products for our own people depend on such trade.

Thank you

Q Mr. President, in Venezuela your discussions included alternative energy sources. Here you've also discussed safe or clean energy sources. I wonder, given that in the United States there is opportunity for improvement in the area of both energy incentives and also reducing the amount of emissions, do you find it difficult to discuss this topic while abroad?

PRESIDENT CLINTON: No, because I don't think the two things are inconsistent. I think we are -- a real responsibility in the United States to do energy conversion. We were on that path, ironically, 20 years ago, when our experts underestimated the amount of natural gas reserves that would be available to us in the United States and throughout the world. And we thought we could move to a clean coal technology and do the job. We now know that that decision was not accurate. But the people who made the decisions 20 years ago did it based on the best evidence they had at the time.

So I think we're going to have more reliance on natural gas and other forms of energy that are even cleaner. And we have to do more conservation. If you were there at the climate change conference we had at Georgetown a couple of weeks ago, we

learned, among other things, that two-thirds of all the heat generated in the production of electricity is wasted. If we can recover half of that waste heat, we will generate enormous new capacity for growth without adding one single pollutant in the form of greenhouse gases to the atmosphere. So we've got a lot to do on our own account.

But as I said -- let me reiterate what I said. What I want to do is to try to help the developing countries grow their economy just as fast as would otherwise be the case, but chart a different energy future than the one we charted in the past when we were at the same stage of development. And the question is, can they do that. I think it's absolutely clear, crystal clear that they can.

And this is a big problem. In China today, bronchial disease is, among children, the number one health problem for kids in the country already. So I want the Chinese economy to grow and the Chinese people to prosper, but I think they should choose a different energy course for the same growth. And I think they can and we should be trying to help them. If we don't do it, then no matter what we in the developed countries do, within 30 to 40 years we'll be right back in the same pickle we're in today, except worse.

Q I have two questions for both Presidents. For President Clinton, since 1995 both governments have worked on the bilateral trade with you, but so far they have no concrete results. And the perception is that Brazil is still complaining about trade barriers and better access to the U.S. market. So I'd like to know if both Presidents have now a new orientation toward a new phase in the trade bilateral relationship.

For President Fernando Enrique, my question is, if there is no fast track authority, if this is not granted, would Brazil be willing to negotiate -- if there is no fast track, do you believe that there will be an continuity in the negotiations of FTAA? And if there isn't, would Mercosur take on this role -- in other words, the role of the principal protagonist in terms of trade in the region?

PRESIDENT CARDOSO: I don't want to make any bets on American policy. If there is going to be this sort of a policy or not is the United States' problem. I think that President Clinton is going to be in a position to get the fast track authority he wants.

But integration, whether we're talking about integration throughout the hemisphere or Mercosur, are two processes that are very interesting to our economies, quite apart from any political issues, which will simply decide the speed at which such issues are decided. So what President Clinton said was crystal clear when he talked about his view of Mercosur and FTAA. He said there is no clash between the two; there is no opposition. There is simply a situation, and we have to give ourselves enough time so that we will be in a position to prepare for increased competition. It's just a matter of time, procedures, so that we will be in a position to participate fully in conversations and understandings.

So with or without a fast track authority, the question is, is it good or bad for us to increase international trade, and the answer is always the same -- it's always good to increase international trade. So I would say that the other factors are just conditioning factors, but the key objectives are out there and they're unchanging.

We will continue to work to our utmost to consolidate Mercosur, but simultaneously to work on the FTAA. We signed an agreement in Miami -- I didn't sign it myself personally, but I was just the President-elect, but President Clinton was kind enough to ask me to come and observe. And this is not just a commitment on paper. It's a real commitment -- we really want to increase our trade foundation.

Now, people are talking about the United States, Europe and so forth -- trade is trade. We have to look at things one question at a time, how we're going to deal with the interests that are being affected, how can we build bridges in such a way as to benefit the parties involved. All of this involves a long construction process.

PRESIDENT CLINTON: Let me say, first of all, I would only add to what the President said that I believe, and I think he believes, as well, that if we can proceed with this free trade area of the Americas, it's also a way of stabilizing the democratic governments of many smaller countries in our hemisphere and giving them some assurance that, if they stay with democracy and reform, their people will also be able to reap some economic benefit from it.

So I think it is important that Brazil assume a leadership role in this fashioning of this whole agreement. And I hope they will, because I think what we're trying to do is to say,

this is, first and foremost, about economics, but economics supports freedom and democracy and stability if we do it properly.

Now, on the question you asked me, the trade question, let me just briefly say, we went over the specific trade issues that Brazil has with the United States and the specific trade issues the United States has with Brazil. And we -- obviously, neither one of us are trade negotiators and these are somewhat specific and, in some cases, almost arcane issues involved, but what we did do is we resolved that we would give both sides instruction that we want these matters resolved if at all possible and as quickly as possible. They're dragging on, they're an irritant to our relationship. And they're, in the context of our larger objective, a negative rather than a positive force and we'd like to have them resolved. And that's basically the decision we made.

Q Mr. President, just to go back for a moment to Janet Reno and her investigation -- I'm wondering if you can tell us, has this whole affair complicated your relationship with her and your ability to actually function with your highest ranking law enforcement official? For instance, do you find yourself not talking to her because you're hesitant to have too much contact with the Attorney General?

PRESIDENT CLINTON: Well, I don't really have anything to add to what I said yesterday about that. I think you all are perfectly capable of drawing your own conclusions and evaluating whether this puts our political system in balance or out of balance, and I don't think that we should discuss it here.

The most important thing is we've got a law; we've got a fact-finding process. The fact-finding process should proceed with integrity; the law should be implemented without pressure either way. I am doing my part. I wish others were doing as well.

Q Mr. Fernando Enrique, I hope you don't mind if I ask Mr. Clinton the question. Mr. President, your visit was preceded by diplomatic turmoil. A document was disseminated that said that Brazilian corruption was endemic. This was commented on by the American Ambassador and his comments made things worse. The head of the Supreme Tribunal, the Superior Court in Brazil reacted badly, as did some other people in the federal government -- even a governor of a federal district. And they also reacted not just to this issue, but to a number of

other issues in which excess security was demanded by some of your advisors.

Brazilian authorities called this people's attitude rather aggressive. Not only authorities, but people as a whole in Brazil felt that they had been badly mistreated. I would like to know your view, sir. Do you think there was any exaggeration? Do you think there were any diplomatic mishaps in this situation?

PRESIDENT CLINTON: Well, first of all, I became aware of this document and the characterization of the Brazilian culture after it had been released. The document was wrong and it represented an appalling error of judgment for anybody to write such a thing. It has been decisively rejected by every American authority, beginning with the Ambassador here now. And it has been excised from the document.

So I regret very much that it happened, but once in a while such a thing may even happen in Brazil, where someone who works for some agency will put out something in printing which shouldn't happen. I can only ask the Brazilian people not to infer that that is the feeling of either the government or, more importantly, the people of the United States toward Brazil. I assure you that no Brazilian could have been any more upset about it than I was. I thought it was terrible and I did everything I could to correct it.

Now, in terms of the trip here, I just don't have enough facts to know. I know that our people historically, because of the problems that have periodically affected our Presidents -- always on our own home turf, I might add, always when we're at home -- that the security for an American President often seems to others to be too rigid and too uncompromising. But, as I said, we've never had problems with our Presidents' security in a foreign country, but we've had enough problems at home over the last 35 years and before that I hope you will at least understand that. But I try to make sure that our people are as understanding and cooperative with the people in every country and community they visit as possible, and I hope they have been. That's all I can say. I don't know the facts.

Q Sir, does it embarrass you when these questions about fundraising follow you on foreign trips, as they have on this one, or does it embarrass the country?

PRESIDENT CLINTON: Well, I can't be embarrassed by other people's judgment. I have no control over what you decide to ask about. That's your decision, not mine. That's a question you should ask somebody besides me. I didn't have anything to do with what was asked. I think other people sometimes in other countries wonder what it's all about, especially when everyone concedes that there was no request or improper public action in any way, nor did any occur as a result of whatever communications are in dispute.

But that's a decision for you. You have to decide what questions you're going to ask. I can't be embarrassed about how you decide to do your job.

Q I have a question that I want to ask both Presidents. People who monitor relations between Brazil and the United States feel that the problems that we have had most recently are often exacerbated by the bureaucracies of our two countries simply because there's not enough involvement of the Presidents and the leaders of the two countries. This is criticism that's been leveled against our countries. I wonder if you would agree.

The United States has a difficulty being a superpower, and the only superpower, to deal with an emerging power in the Americas that is asserting its leadership as a democracy as a freer market. Former Secretary Kissinger told me recently that he believed that really you have to adapt, because you are not used to that. You have to adapt intellectually to that. I'd like you to talk about this issue. Does our emerging role bother Americans or the United States of America?

PRESIDENT CARDOSO: Well, at least as far as the Brazilian side is concerned, I was so very pleased because the touchiest issues are always being brought up for President Clinton. No one is asking me these touchy questions. I was so pleased up until now.

However, my involvement and President Clinton's involvement can only be that of people who are involved at a very general level involving problems between our two countries. Of course, there are always going to be some sort of bureaucratic problems, but I'm quite sure that we can deal with them quite easily. I think bureaucratic problems and red tape dissolve as soon as people see the warmth of our warm and direct personal relations, which are much more important than any bureaucratic entanglement.

Now, of course, we do understand fully that for security reasons, you do have some problems of your own. Luckily enough, we in Brazil don't have to face these major threats. It's not the case of every country. The United States particularly has had to face some very difficult situations. Of course, our security forces try to pay attention at all times in Brazil. But I'm always breaking the rules in Brazil and so far nothing has ever happened and things are very tranquil and I'm sure they'll continue to be so in the future.

But I'm quite sure that anything that comes up can be dealt with quite easily because of the warmth and the openness that President Clinton and Mrs. Clinton have shown to us in Brazil at all times. They have shown to all Brazilians that their trip is an open-hearted visit.

PRESIDENT CLINTON: I'd actually like to respond, if I might, to both your questions. Because the question you asked the President, I think the answer to your question is a lot of -- people who work in government bureaucracies the world over are following established policies, and they tend to acquire an interest in maintaining the established policies, and most of them don't have the authority to change it, which is why these kind of personal relationships are so important. Because it's our responsibility if we want to change the direction of the country not to blame the people who work for us -- and particularly the people who may not even be political appointees, they work through from one administration to another -- but to try to give different instructions, to send different messages down there.

And that's why -- sometimes I think, with all respect, sometimes members of the press and even our own publics say, well, why did they spend all that money and do that foreign trip, all the money we spent to come here, all the money we spent to entertain us -- why did they do all that? There didn't seem to be an great earth-shaking specific agreement. And the main reason is the very thing you said -- that we have to increase understanding, we have to increase sensitivity. And even subtle shifts in our position can send a different message to those down in the governmental hierarchies that have to implement these decisions on a daily basis. So I think that's a very good question.

The second thing is, does the United States, at the end of the Cold War left as being the world's only superpower, feel

threatened by the emergence of Brazil or any other country. The answer to that is, I actually support the emergence of countries to a greater role of influence and responsibilities, as long as they share our basic values -- not agree with us on everything, but share our basic values.

If they're committed to freedom and democracy, if they're committed to open trading systems, if they're committed to giving all their people a chance to participate in the wealth that the global economy generates, if they're committed to a responsible global approach on the environment, if they're committed to working with us against threats that cross national borders -- terrorism, weapons proliferation, criminal syndicates and drug trafficking -- if they're committed to those things, then I don't see this as competition. I see this as people emerging to take on more responsibility. And if we work together, more good will happen.

I'll give you another example. When I became President, there was the question of whether the United States would object if, in addition to NATO in Europe, there were an independent European security force working with NATO. And I made it clear from the beginning, I support this. I don't see these things as competing.

We have to change because most of the threats to nations in the years ahead will come not from other nations, but from threats that cross national borders -- guerrillas, terrorists, weapons proliferation, drugs, crime, environmental and disease problems -- number one. And because most of the benefits that nations can derive for their people require them to cooperate with people beyond their borders, we will have to change our conception of how national power and influence is acquired.

National power and influence is acquired, ironically, by becoming more interdependent and cooperative with others who are strong and self-sufficient and self-reliant, but need to be allied with you. And I do believe, frankly, that this will require a big change in the way people look at politics -- not just in the United States, but elsewhere.

Q Since you spoke yesterday on Air Force One, it's been reported that the White House and the Justice Department have been negotiating to figure out a way that you could speak to investigators about campaign finance. Have you reached such an agreement? And under what conditions would you speak to the Justice Department?

PRESIDENT CLINTON: I know nothing about that I didn't say yesterday. I literally -- no one has talked to me about it and I know nothing to add to what I said yesterday.

Q Mr. President, Mr. President of Brazil, Fernando Enrique Cardoso, Brazil defends negotiations with the FTAA in complementation to tariff laws. Now, what complements are we talking about specifically as long as Brazil adheres to the calendar?

And for President Bill Clinton, last night, Mr. Clinton, you said that you felt touched by Brazil and had felt touched by Brazil for over 30 years. Have you been touched enough to say that you're going to give support to Brazil's candidacy on the Security Council so that Brazil will become a full member of the Group of Nine as well next year?

PRESIDENT CARDOSO: Okay, I'm going to break a couple of the rules here once again. Go ahead, one last additional question, very, very quickly before we answer.

Q The United States government wants that Brazil open the Brazilian market, but there are many restrictions against Brazilian products, like oranges. My question is, why not the USA don't change the situation, keep the situation and allow the free commerce for many Brazilian companies?

Fernando Cardoso, I would like to know what the Brazilian government's view on these non-tariff barriers against a number of Brazilian products that are trying to get into the U.S. market.

PRESIDENT CARDOSO: All right, I'm going to begin by answering the question on the additional agreements or side agreements to the FTAA. I think that President Clinton talked about his views very clearly when he talked about the meaning of the overall proposal for hemisphere-wide integration. And he made his comments in a way that I think was quite proper.

He said it's not just a matter of tariffs -- I'm going to talk about the tariffs in a minute -- but it's not just a matter of tariffs. It's a much broader concept that we're fighting for here, because we're talking about the fact that there are some political considerations that come into play. And, of course, political considerations are based on values -- a common desire, a shared desire to keep the peace, to control drug trafficking,

to avoid criminal activities on the international level or in the international sphere.

So we're not just talking about trade here, so much so that what we proposed in the meetings that we've had thus far and that we're going to continue to have over the next few days, is that the key topic be education. And in Santiago, we're going to keep insisting on education as the key issue, because people can say, all right, very generously, let's talk about something that will move people, but that means that we have to talk about something that goes beyond tariffs.

Tariffs, of course, are very important to countries and their economies and especially interesting to specialists. But countries have much more that they talk about and disagree with in the area of international relations aside from tariffs. And so we have to talk about things that will bring our people closer together.

Education is ideal because the basic tenet of education is equality, and I think that what President Clinton said here pretty much follows along the same line of thought. And we do not want to limit our relationship to issues that don't even require a meeting between Presidents, because technical-level meetings will be enough.

What we are here to express and symbolize is something far greater than this. It's the desire for democracy and greater equality. A country such as Brazil that has no reason to hide its problems, especially our social problems, which are so great in nature, is in a position to want very much to improve the standard of living of its people. Within Mercosur, outside of Mercosur, we're very interested in seeing that all agreements be broader in scope, just as President Clinton just said.

So with regard to the specific issues that were brought up -- you talked about steel and orange juice and footwear and -- everywhere throughout Latin America where President Clinton goes, he's going to hear the same issues being brought up. And elsewhere as well, because the French, the Japanese, the British, they all have the same problems. To the degree that our countries move forward and progress, especially Brazil, where the industry sector is growing rapidly, of course we're going to begin to compete and problems and are going to crop up. And, of course, some moment in time is going to require arbitration of some nature, which is not meant to be just political in nature. But the greater our understanding is, the

better our possibilities will be of reaching an understanding as to these issues.

Now, there are specific points on the agenda of demands of our two countries that neither one of us have really talked about them much. Some were brought up now, but we both know what they are. And when President Clinton goes back to the United States, people are going to ask him, did they ask you about this, that, or the other. I'm not even going to mention what they are. He's going to say, yes, I did talk to President Cardoso about it. What did he say? Well, President Cardoso said he's going to give utmost consideration to these issues. And that's what I'm going to say to you. We're both going to work hard to try to solve these issues.

PRESIDENT CLINTON: Let me say again, on balance, the United States has a lower tariff structure than virtually any country in the world, and fewer restrictions on trade than the European Union, for example. And I hope we can work these last remaining areas out. If you think about how big and complicated our countries are and the fact that we have now two-way trade in the neighborhood of \$23 billion a year. The number of disputes is actually relatively small and I'm encouraged by that.

I'm not going to ignore the gentleman's clever question on the United Nations. First of all, you should know that today Brazil has been elected to a two-year term on the Security Council. Congratulations, Mr. President, that's a very good thing for the United Nations, as well as for Brazil.

The United States' position has been that the Security Council ought to be expanded, that a permanent seat ought to be given to Latin America, and that the Latin American nations themselves should resolve how that permanent seat should be filled. This really is one of those areas where I don't think it's our place to tell the people of Latin America how to proceed here. I hope we will proceed and give a permanent seat on the Security Council to Latin America, because I think that the actions of the last several years clearly warrant that. And, again, that's another one of those questions like the gentleman who asked me about Brazil's emergence. The more there is a stable, constructive presence in global affairs presented by Latin America, the better off the world's going to be.

Q Thank you, Mr. President, and good afternoon. Based on your comments yesterday on Air Force One, sir, it would seem that you've been briefed on the videotapes that are soon to be

released. What is your understanding of what's on them? And is there anything on them that causes you any concern?

PRESIDENT CLINTON: No, I think it's the same old stuff. As I said, those of you who have been going to the fundraisers with me, you've already seen it live so the replay will probably be boring for you. That's what I understand and I'm not worried about it.

Q Mr. President -- are already saying that --
(inaudible.)

PRESIDENT CLINTON: I've not made a decision yet about what to do. But let me say this, I intend to take a strong position there and I expect to probably be criticized by all sides. The United States, as our friends in Europe are well aware, is in a particularly difficult position when the benchmark is 1990, for three reasons.

Number one, we've had economic growth since 1990 far greater than Europe, so our greenhouse gas emissions have gone up more, which means we have more to do to go down. Number two, the Europeans are -- particularly if they're treated together -- benefit from the incorporation of East Germany into Germany and the dramatic drop in production in East Germany, which has a high level of pollution. Therefore, they get a big reduction in pollution for something that -- not because of any independent policy action taken, but because of the incorporation of East Germany into Germany.

And, thirdly, the presence of the North Sea oil for Great Britain gave Britain the ability to sell the oil, which is relatively polluting to other countries and keep the natural gas, which is quite clean, and substitute that for coal. So using the 1990 base mark, they have a lot of inherent advantages over the United States in terms of the degree of rigor required to meet any given target.

Nonetheless, I think there's so much we can do through technology and different purchasing patterns and conservation patterns, that I think that we can do quite a great deal. And I intend to propose that we do a great deal. What I'm trying to do is to put together a comprehensive agreement in Kyoto that will actually do what everybody wants, which is to reduce greenhouse gas emissions into the atmosphere substantially in the next century.

Right now we're at about double the volume of greenhouse gases in the atmosphere that existed before the dawn of the Industrial Age. If we don't do something we'll be triple the volume by the middle of the next century. And we know that something bad will happen. Even though the skeptics on the other side say we don't know exactly what and when, we know enough to know it's not going to be good, and we've seen enough evidence of that so far.

So I'm going to have a credible plan. I'm going to do my best to get everybody involved in it. I hope I'll even have some success at selling it to the Congress. Right now, it may be a lot easier to sell it to the environmentalists and to the business community than to sell it to the Congress, but I'll do my best.

Q Mr. President, have you decided against using your line item veto authority? And am I mistaken, or is this becoming habit forming?

PRESIDENT CLINTON: Well, it's not habit forming but, yes, I used it again today -- as I told you yesterday I would -- on I can't remember how many projects, but more than a dozen worth more than \$140 million that were not either in my budget or recommended by the Department of Defense. I thought it was appropriate.

I know that a lot of members that voted for the line item veto in Congress now wonder whether they did the right thing, now that I'm exercising it. But I'd like to remind you that, again, I have deferred, in great measure, to Congress. Congress put in 750 projects not requested in our budget or in the Defense Department plan, and reduced overall weapons procurement, reduced overall research and development to pay for virtually all of them.

And I'm hoping that in the years ahead I won't be using it as much and future Presidents won't use it as much because it will lead to a different kind of negotiation in the budgeting process.

But I think what I did today was responsible and quite restrained. And I believe that it's important to send a signal to the American people that we're going to stay on the budget track we started on, and we're going to stay within these numbers and balance the budget. That's one of the things that's given us the big economy we've got.

PRESIDENT CARDOSO: I'd like to thank all the Brazilian and American journalists for having joined us and for being so good about answering all our questions. And may I say that the emphasis that President Clinton has put on the environmental issue is one that I would like to bring up for Brazil as well. We have an energy matrix that is very, very clean. We use hydro power and now gas, natural gas. And we are strengthening our links with regard to the energy matrix throughout the rest of Latin America. So I think that our dialogue in terms of climate has been extremely positive.

Thank you to everyone.

END

2:35 P.M. (L)

THE WHITE HOUSE
Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

October 14, 1997

TEXT OF A LETTER FROM
THE PRESIDENT TO THE SPEAKER OF
THE HOUSE OF REPRESENTATIVES AND
THE PRESIDENT OF THE SENATE

October 14, 1997

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the Line Item Veto Act, I hereby cancel the dollar amounts of discretionary budget authority, as specified in the attached reports, contained in the "Department of Defense Appropriations Act, 1998" (Public Law 105-56; H.R. 2266). I have determined that the cancellation of these amounts will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitute a special message under section 1022 of the Congressional Budget and Compoundment Act of 1974, as amended.

Sincerely,

WILLIAM J. CLINTON

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THE WHITE HOUSE

Office of the Press Secretary
(Brasilia, Brazil)

For Immediate Release

October 14, 1997

STATEMENT BY THE PRESIDENT

Over the past four and a half years, my Administration has worked hard to cut the deficit and to ensure that our tax dollars are used wisely, carefully, and effectively. We have reduced the deficit by 85 percent even before enacting the historic balanced budget legislation this past summer.

The line item veto gives the President an important tool to save taxpayers money, avoid unnecessary government spending, and ensure that the national interest prevails over narrow interests. It will enable America to continue the fiscal discipline that has helped create our strong economic expansion. And by allowing a President to sign important legislation while canceling projects that do not meet important national goals, it will change the way Washington works.

America must -- and will -- continue to have the world's strongest military. We have an obligation to manage our defense budget with both national security and fiscal responsibility in mind. Every penny of our defense dollars should be used to sustain and strengthen the best-trained, the best-equipped, and the best-prepared Armed Forces in the world.

Today, for the third time, I am using the line item veto to cancel 13 projects inserted by Congress into the Department of Defense's appropriations bill. These cancellations will save the American taxpayer \$144 million. This use of the line item veto will help ensure that we focus on the projects that will best secure our strength in the years to come.

I canceled the projects because they were not requested in my Fiscal Year 1998 budget, and because either they were not contained in our Future Years Defense Program or the Department of Defense determined that they would not make a significant contribution to U.S. military capability. In two cases, I canceled items that had broader policy implications for longstanding U.S. national security policy. I have been assured

by the Secretary of Defense that none of the cancellations would undercut our national security or adversely affect the readiness of our forces or their operations in defense of our Nation.

As I said last week, I will continue to scrutinize other appropriation bills, using appropriate criteria in each instance, and I will exercise the line item veto when warranted.

-30-30-30-

THE WHITE HOUSE

Office of the Press Secretary
(Sao Paulo, Brazil)

For Immediate Release

October 15, 1997

REMARKS BY THE PRESIDENT
TO BUSINESS LEADERS

Auditorium
Memorial America Latino
Sao Paulo, Brazil

7:30 A.M. (L)

THE PRESIDENT: Thank you very much, Mr. Miller, for your introduction and your statement. Thank you, Governor, for your moving words. And thank you all for coming out this morning. I am delighted to be here and to be joined by a distinguished delegation of Americans, including the Secretary of State, the Secretary of Commerce, the Secretary of Education, the United Nations Ambassador, my Special Envoy to Latin America, the National Security Advisor and four distinguished members of the House of Representatives, Congressman David Dreier, Congressman Jim McDermott, Congresswoman Nydia Velazquez and Congressman Ruben Hiriojosa. We also have the Brazilian Ambassador to the United States here, the Minister of the Brazilian government and the Mayor, and I thank them all for coming.

I think this speaks the importance of the relationship between the United States and Brazil. I'm delighted to be in Sao Paulo, the economic engine of this great nation and the commercial heart of the new Latin America. I often hear it said now that Brazil is the land of the future. I think that in this city, the future is here. I thank you for giving me the opportunity to discuss the partnership that I hope our two nations will forge for the 21st century.

All of you know that over the last decade, a genuine revolution has swept across this hemisphere. As never before, Americas are coming together in the embrace of common goals and common values. We have a special responsibility and a special ability, Brazil and the United States, to work together with the

other nations of the Americas to lead this process, with the largest populations and the largest economies, rich natural resources, enormous and fascinating diversity among our peoples. Most important, both of us cherish the same ideals: freedom and equality, respect for the individual and the integrity of the family and community, social justice and peace.

Our partnership is already broad in scope and ambition. We fight drugs and the spread of nuclear weapons together. We work to protect the Rainforest and to explore the Heavens together. We work to help others in our hemisphere turn from conflict to cooperation together. But nowhere can we make a greater difference for our people than by leading all the Americas down the path to prosperity in the new economy of the 21st century.

The United States has worked -- watched with respect and admiration as Brazil has embraced strong reform. With President Cardoso's Real Plan, with the support of the public and the Congress, Brazil has slashed inflation from 2500 percent to five percent in only five years -- a truly astonishing accomplishment. In the course of so doing, 13 million Brazilians have been lifted above the poverty line, growth of more than four percent a year has been achieved. Brazil has become a magnet for billions of dollars of foreign investment, a good deal of it from the United States.

Brazil's growing prosperity is good news for Brazilians, but also good news for Americans. Last year, our bilateral trade totaled more than \$21 billion. The United States is Brazil's largest single trading partner, larger than the Andean Pact, the Central American Common Market, CARICOM and Mercosur combined. We buy about a fifth of Brazil's exports and our exports to Brazil have more than doubled since 1992. As Mr. Miller said, American businesses know that Brazil is a great place to bet on for the future, it's a good place to do business, and today there is, I understand, also in this audience a first-rate trade delegation from Seattle trying to support that proposition.

Our big trade numbers sometimes mask a lot of individual stories -- not always from large companies. The Snider Mold Company of Mequon, Wisconsin sells molds for making water tanks to companies in Brazil. Brazilian firms use the equipment to replace old tanks with safer models, supporting jobs in both countries and providing healthier drinking water for families in Sao Paulo. The lives of real people are changed for the better by this kind of trade.

And in Brazil, we see a large snapshot of what is happening indeed throughout our region, where barriers are falling, trade and investment are booming, trade among Mercosur countries has more than quadrupled since 1990. In that same period, the United States exports to Latin America have grown by more than 100 percent. This all promotes greater efficiency in economic growth in the Americas and brings people better opportunities to build better lives for themselves and their children.

Early in the next century, as open markets continue to spread, 20 nations around the world, home to half the world's population, will lift themselves from the ranks of the poorest countries into the ranks of middle-income countries. Their gain in skills and jobs and wealth will be our gain as well.

I want America to lead the process of economic integration and rising living standards here in our hemisphere and around the world. In the last four and half years we have concluded more than 220 separate trade agreements with expanding trade accounting for one-third of our own strong growth. Now, I'm working to persuade our Congress to renew the President's fast track negotiating authority so that we can do more.

In the past few weeks, the Senate Finance Committee and the House Ways and Means Committee, on which Congressman Dreier and Congressman McDermott who are here with me sit, have approved this legislation with bipartisan support. And we're going to do all we can to pass the bill this year. I hope, if I might be forgiven this on foreign soil, I hope that those of you representing American companies will urge members of Congress of both parties to support the legislation; I need all the help I can get.

I have also attempted to see that the United States puts special emphasis on Latin America. We hosted the Summit of the Americas in Miami in 1994, I appointed my long-time friend and former Chief of Staff Mack McLarty to be a Special Envoy to Latin America to send a signal to the continent that we are serious about a long-term sustained and comprehensive partnership.

The United States welcomes all constructive efforts by others to bring our hemisphere together, and especially Brazil's leadership role in those efforts. Brazil and Argentina, through their strategic alliance, are providing a decisive impulse for democracy, economic reform and regional security cooperation. Mercosur has expanded trade among its members and with the outside world. It has also bolstered democracy and promoted

peace as a growing integration in interdependence make yesterday's hostilities unthinkable today.

We hope every step in the process of hemispheric integration, whether in Mercosur, NAFTA, CARICOM or elsewhere we'll build momentum toward our common goal of a free trade area of the Americas by 2005, first endorsed at the 1994 Summit in Miami.

Our nations are committed to launch comprehensive negotiations at Santiago in April and, as we agreed at the Miami Summit, to achieve concrete progress by the turn of the century. Just imagine the potential of an American market with 800 million people, from Alaska to the southern tip of Argentina, buying each other's goods, spurring each other's creativity, enriching each other's lives, investing in each other's future.

But even as we seize these possibilities, we must also work even harder to bridge the gap between the haves and the have-not. The age-old curse of Latin America, the constant undercurrent of all advanced economies of the last 20 years, has got to be dealt with more seriously not only by government, but by people in the private sector working in partnership with government. We have to give everyone who will work for it a place in the future we are trying to build.

In your country and mine and throughout the hemisphere, many people still question our course: fearing the pressure of competition, feeling as yet no benefit from the changes underway. Knowing that as yet, no nation has found the perfect formula for both embracing the global economy while preserving and extending the social contract. Globalization is irreversible. Protectionism will only make things worse. But while we cannot turn back the winds of change, we can and must do more to harness their force to everyone's advantage and make sure that the benefits and burdens of expanding trade are fairly borne.

That means deepening democracy and the rule of law, including a free press and an independent judiciary. It means insisting on worker protection so that trade enhances working conditions and living standards instead of undermining them. It means equipping all our people with the education, training and skills to succeed so that progress is everyone's friend.

Since 1993, we in the United States have been working hard to come to grips with these two competing challenges. We have more than doubled our worker training funds directed at those in

the work force who may be displaced by technology or trade. We have established the North American Development Bank to try to make investments in communities that have been displaced by our increasing integration with Canada and Mexico. We have worked to improve joint environmental inspections and enforcement and to jointly agree to stop using some kinds of chemicals and other things which are damaging to the environment.

We have set up special empowerment zones to give our private sector incentives to invest in communities which are not touched by trade one way or the other because their economies have developed so little. All these things have not had perfect results, but they are making a difference, and they show that there is a way to have strong economic growth, an open economy, an openness to trade and investment and still care about extending opportunity so that more and more people who are willing to work have a chance to work and succeed.

We must also do more to protect natural resources and the environment. The United States rejects the false choice between economic growth and environmental protection. We believe in sustainable development, making sure that today's progress does not come at tomorrow's expense. Trade-driven growth need not bring environmental quality down; indeed, trade must maintain and improve the quality of our environment.

Brazil and the United States share a commitment to meeting these challenges, all of them, head-on. We can set a standard of success for the Americas, showing that democracy and free markets deliver, protecting our planet for future generations, making education and the wonders of technology the modern birthright of every citizen.

I am especially impressed with President Cardoso's determination to improve education. Both of us are working to ensure that every school has high standards, that every child, rich or poor, has the knowledge to succeed in the new economy. America's new balanced budget includes the biggest new investment in education since 1965. Our agenda is sweeping, but straightforward. We expect every 8-year-old to be able to read, every 12-year-old to be able to log onto the Internet, every 18-year-old to be able to go on to college, and every adult to be able to continue learning for a lifetime.

Brazil spends nearly six percent of its GNP on education and is working hard to increase enrollment and to help more children complete their early years of school. Now, through our new Partnership for Education that President Cardoso and I

signed yesterday, our nations will work together to teach our children for tomorrow.

This afternoon I look forward to visiting the Mangueira School in Rio, where Brazil is proving every day that every child has the potential to succeed. I commend the Brazilian business community for investing in education, and I thank the Sao Paulo American Chamber of Commerce for your leadership in this effort which Mr. Miller referenced in his remarks.

Even as we speak, the First Lady is visiting one of the schools you have adopted so that she can see your success firsthand. Your programs have helped to keep children in school, helped teachers to learn, and helped to raise standards. Now they will help to broaden access to educational technology. I urge you to do as much of that as you can.

Brazil and the United States share the vision that all our citizens should be connected to the Information Age. We have both adopted ambitious programs to link our schools to the Internet. We are attempting to make sure that every classroom and library in the United States will be hooked up to the Internet by the year 2000. When we do that and when Brazil does that, no math, no book, no tool of learning will be beyond the touch of our children, regardless of the wealth of their families or the part of town where they live. And when that happens, no dream will be beyond their reach.

Already, Brazilian-American partnership is bringing world-class technology to boys and girls in Brazil. Ashford International, a small firm from Stone Mountain, Georgia recently launched a project with Sao Paulo's local government supplying 5,000 multimedia computers for 1,000 area schools. That's good for the students and good for the Stone Mountain company and its workers.

Even as computers and the Internet are expanding the world of learning, they also bring new opportunities for electronic commerce. When I took office in 1993, just think of it -- in 1993 -- only high energy physicists had heard of the World Wide Web. Now, even my cat, Socks, has a web page. (Laughter.)

I was meeting with one of the young men who has made a small -- perhaps a large -- fortune in figuring out how to commercialize the Internet in California the other day, and he said that the Internet was the fastest-growing organism in human history, that no one could measure its expansion.

Today, there are as many as 50 million people on the Internet, and for Brazilian Net browsers, the surf is up. Since 1996 -- since 1996, the number of Internet hosts in Brazil has risen by 535 percent. Electronic commerce can improve productivity, facilitate global communications, help small companies sell to a worldwide market, create a revolution in the way we all market and sell. But in order for this digital economy to flourish, it must not be weighed down by the heavy hand of government regulation and fees.

President Cardoso and I discussed the importance of creating a market-led environment in which this new medium can succeed. I feel very strongly that all nations have a responsibility to facilitate, not undermine, this process, it will have enormous economic implications that are quite positive for every country if we can do so.

Working together on behalf of new technologies, by the way, has long been a mark of our relationship. You may know that in 1876, Brazilian Emperor Don Pedro II came to our Centennial Exposition in Philadelphia where he helped draw attention to a new invention of Alexander Graham Bell -- the telephone. Today, Brazil's telecommunications sector is the largest in Latin America. Your government predicts it will net investments close to \$70 billion by 2003. And earlier this year, America's Bell South, teaming up with respected companies in Brazil, won a bid to provide cellular telephone services here in Sao Paulo.

A century ago, Brazil saw promise in our technological future. Today, we are proud to be investing in yours. New education and new technologies will help carry our nations forward. But we will soar only if we also maintain our oldest values. Your country and mine have a generous tradition of welcoming people from all around the world. One of our greatest strengths is our commitment to live together and work together and learn together, regardless of our backgrounds of race, religion or ethnicity. I commend President Cardoso for his human rights plan and his emphasis on racial equality.

In our country, in one public school district across the river from Washington, D.C., which I can see from the White House, there are students from more than 150 nations in one of our school districts, speaking more than 100 different languages. The neighborhoods of Sao Paulo are a window on the world. The colors of Italy enliven the Bixiga. The flavors of Japan infuse Liberdade. The spirit of the Middle East fills Bom Retiro. The rhythms of Africa pervade every quarter. People from everywhere call this place home.

It must be truly mysterious to you as it is to many of us when we see people from Bosnia to Central Africa, from the Middle East to Northern Ireland still determined to hate one another, and fight and sometimes rob people of their freedoms and their very lives because of their differences. Our differences make it much more interesting to live in our communities in our nation and, frankly, much more profitable to go into the future.

So, as we make the most of this age of opportunity, we ask ourselves: Which nations will do best in the global economy? The nations with the globe inside their borders. This, too, is a lesson that Brazil and the United States must first never forget for ourselves and, second, try to impart to the rest of the world.

In the 19th century, we forged a friendship grounded in our common love of freedom. The United States was honored to be the first nation to recognize Brazil's independence. In the 20th century, we fought side by side to prevail in World War II and to preserve freedom's light. The United States is still honored that Brazil came to provide soldiers to fight with us for freedom in both the great World Wars of this century. Now, on the eve of the 21st century, a bold, new challenge awaits us: to secure the blessings of freedom and prosperity for all the people of our hemisphere and throughout the world.

Our nations share a vision for the future of the Americas, where every child has quality education, all our people reap the benefits of modern technology, open societies linked and lifted by open markets create new opportunities for all people and protect their freedom to seize them. That is the future we are working to build. And, together, I am quite confident that we will succeed.

Thank you very much. (Applause.)

END

8:06 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Rio de Janeiro, Brazil)

For Immediate Release

October 15, 1997

PRESS BRIEFING
BY NATIONAL SECURITY ADVISOR SANDY BERGER

Sheraton Rio
Rio de Janeiro, Brazil

4:05 P.M. (L)

MR. LOCKHART: We're going to start first with the National Security Advisor Sandy Berger. Following that, Mike will come out. This is on the record and for camera.

MR. BERGER: Thank you, Joe. This will be a short briefing, no sweat. I want to talk just briefly about the two events together today because I think these pair of events vividly illustrate the President's strategy for harnessing the forces of globalization for the benefit of the people of America and the world.

Both the speech this morning at Sao Paulo and the event at the school this afternoon at Mangueira bring together as the President embraced them the elements of the President's larger vision about how you grow and lead in a global economy. And perhaps he captured it best in the speech this morning when he said, we must embrace the global economy while preserving the social contract. If I would annotate that sentence, I would say, we must embrace the global economy; that is we must compete in the global economy on a level playing field while preserving the social contract -- that is, recognizing that the benefits and the burdens of open and expanding trade don't fall evenly and the government has to cushion the blow and the shocks and equip its people to join the mainstream with education and training and other assistance.

And what's interesting is that the larger context within which the President is speaking -- that is the context of what

is happening in the Americas -- parallel very much the debate that is going on in the United States, or fast track. And I will come back to that -- because both of these are debates about how you embrace the global economy while maintaining the social compact.

So what are the elements of this strategy that the President laid out today I think as distinctly as he has in the past? First, it's a recognition that you can't stop globalization and you can't stop global integration. We saw that yesterday at Sao Paulo. We heard President Cardoso say Brazil is going to be a global trading nation. We've seen that Argentina -- has become the number one export market for Argentina has become Brazil, whereas, throughout their history these were two countries that had very little commerce.

Second, U.S. growth is not threatened by the growth of others. It benefits from that growth. And we heard the President say that both this morning and yesterday at the press conference with President Cardoso. Since we are 4 percent of the world, in order for us to be able to grow we have to have not only markets, we have to have growing markets. We have to have wealth being created elsewhere for us to benefit from that wealth. This is not a zero-sum game, the President is saying, between us and Brazil. And that is the way it has been defined by Brazilians, certainly, and by Americans I think for decades, if not centuries.

Third, the President is saying that this economic integration and the mutually reinforcing growth that I spoke about is important not only to our economy, but it's important to peace and stability and democracy. It's not an accident that economic growth and democracy have emerged in this hemisphere in tandem. They reinforce each other. The more prosperous these countries become, the more stable they become. And the more their leaders can prove that democracy delivers, the stronger democracy becomes.

But fourth -- and this really shifts us to this afternoon, although the President spoke about it this morning -- the President also recognizes that globalization creates winners and losers, that a rising tide does not lift all the boats equally -- if I can misquote a great President -- and that we must also pursue strategies to promote social cohesion and to close the gap both in the United States and certainly throughout the Americas.

In Brazil, we see President Cardoso doing this, and we saw it I think vividly illustrated at the school today, which not only is a school, not only teaches sports, not only is a health clinic for the community, not only is a vocational training program for people in the community, it is a model of how to achieve upward mobility in an economy like Brazil that is growing at a very rapid rate. And this has been an important value of President Cardoso.

And it's the same philosophy the President has brought to the United States, by doubling worker training, by creating empowerment zones, by increasing funding for education. In both cases, we're dealing essentially with the same equation, which is that, if we want to sustain global growth, we must compete in this economy; we cannot turn back the tides of globalization any more than King Knute could turn back the tides. But we also have to recognize that in order to sustain that progress towards open markets that creates growth, we have to deal with often the unequal distribution of benefits and burdens that fall on our people.

And the last thing I'd say, and then just see if you have any questions, is that this is actually in essence what the fast track debate is about. The fast track debate in some sense is -- the opponents of fast track in many ways are opposing trade, and they say really that you have to make a choice between either dealing with the inequities of our society or dealing with open markets and expanding trade.

And what the President has been saying over these past weeks and months, and what this debate, I think, comes down to in large measure as we go back to Washington is the fact that we don't have the luxury of that choice. We have to continue to open markets because that's where the customers are.

You know, Willie Sutton said, that's why he went into banks. We have a mature market -- we have to expand, we have to grow. But we can't turn our backs on the people in the United States who, for example, in poor, urban communities are not in the economy and don't feel the effects of the economy. And that's why technology is such a liberating, empowering force that the President and the Vice President pushed so hard, because it does connect a lot of people who are disconnected from a thriving -- the most thriving economy in the world to that economy and creates opportunity for them.

So I really do think today was very interesting, because I do think what you see being articulated here increasingly by the President is a coherent view of how the United States grows, creates jobs, creates prosperity in a global economy while, at the same time, creating opportunity for all of its people and making sure that none are left behind.

Let me end it there and see if there are any questions.

Q Sandy, from a foreign policy standpoint, how does the uproar back home involving the fundraising tapes and Janet Reno's testimony and all of that, how does that impact on an overseas trip, like coming in the midst of an overseas trip like this?

MR. BERGER: I don't think it deflects us from our job. I think this has been an enormously important trip for the United States. I think that the relationship between the United States and Brazil has undergone a sea change leading up to and definitely given momentum by this trip.

Don't forget, Brazil is a country almost as large as the United States. It's 160 million people. It's the eighth largest economy in the world. We're in one of the most important economies -- countries in the world. It's an economy and it's a country that has tended to define itself, as you all know, very often in distinction to the United States.

And I think that the conversations that Cardoso and Clinton had over two days, and the degree of common interest that they were reflected, the fact that the President indicated that he doesn't see this as a zero-sum game, the fact that he thinks the growth of Mercosur is not threatening to the United States. All of these things have an enormously positive effect on the relationship. So of all of the trips we've been on -- I mean, obviously, we go to Helsinki and we sign historic arms control agreements with Yeltsin, it's a dramatic event. But I think in terms of shifts in a relationship, this is a dramatic shift. And I've heard more than one Cabinet member say to me in the last day that their meetings subsequent to the meetings between President Cardoso and President Clinton have been the best meetings they've had with their Brazilian counterparts.

Q What do you make of the signs of the anti-American sentiment that we've seen throughout this trip -- the signs, things being thrown at the President's limo, some of the

newspapers seeming to run deliberately unflattering pictures of the President and the First Lady --

MR. BERGER: I'll give you some books to read about the history of protests in Brazil where hundreds of thousands, millions of people on the street, the kind of reception the previous Presidents have received in Latin America -- of course, Nixon in Venezuela is one that's vividly in mind. The fact is the attitude towards the United States has dramatically, dramatically altered. It's part of that -- part of that is what's happening in their own countries. The leadership that President Cardoso and President Caldera are giving to their countries, moving them towards democracy, moving them toward market economies. They want relationships with the United States.

The fact that there are people protesting, number one, shows that there is freedom of expression here, which I think is good. But they're hardly deserving of the good old days of protest.

Q Sandy, can you set up tomorrow and the rest of the trip --

MR. BERGER: Tomorrow we have a bilateral meeting with President Menem in Argentina. There will be a range of subjects on the agenda, including the wide-ranging peacekeeping responsibilities that Argentina has undertaken and in many places where we are together. From the early days of Haiti to current days of Bosnia, the Argentines have been, I think, on 16 peacekeeping missions. And in recognition of that, the President has conferred -- has sent up to the Hill a notice that he intends to designate Argentina as a non-Nato military ally. So that's one subject we'll talk about, clearly.

They'll talk about counternarcotics, also the extraordinary march toward democracy that has taken place in Argentina. There will be a wide-ranging agenda, and we'll have more to say about it tomorrow.

The other major event tomorrow will be a town hall, the town hall meeting in which the President will be actually in the room -- this will be connected throughout the hemisphere by Univision, but it will be -- it will be interactive, obviously from the room, and also from Miami and Los Angeles.

Q -- sometime during the day? Is that just to show sympathy, or is there actually something we can do the help solve those --

MR. BERGER: Well, we have -- both. We have been deeply concerned about the two bombings that took place in Argentina against Jewish facilities in '92 and '94. We've worked cooperatively, where desired by the government of Argentina, in terms of information. And we obviously will do anything that they seek for us to do in terms of helping them to solve these atrocious terrorist acts against a synagogue in one case and a Jewish community center in another case.

Q Sandy, historically South America has been a place where the affluent have been insensitive to the needs of the poor. What's the evidence that that's changing? And the President said there has got to be a development of the middle class. How much of a middle class does Brazil have? Most of us probably aren't familiar with it. And also, since the United States under even this economy is having greater disparities of wealth and income, how can we hold that up as a model here? The U.S. economy is having greater inequalities of wealth, is it not?

MR. BERGER: Well, I'm not an expert on that, John. I'll leave it to others. I thought that some of those statistics were beginning to show some -- there is still too much disparity. We'll stipulate to that.

First of all, the leaders of these countries -- this is a new breed of leadership. Menem, Cardoso, Caldera is not exactly a young man, but he is a man of deep conviction in terms of his belief in democracy and in economic reform. The program that took place here, for example, 2,500 percent inflation in 1993, and now the inflation rate I believe is about 5 percent -- that in and of itself -- I've had conversations over the last few days with people who have told me how their mothers and how their uncles had to deal in an economy that has 2,500 percent inflation -- some people think it may have been higher at some points -- and how in some ways the most elaborate controller of the biggest Fortune 500 were not as creative as people trying to make ends meet in that kind of an economy. So simply bringing the macro elements of the economy under control is enormously upgrading.

Second of all, there is growth in these economies, there is growth being created. I think out of -- Jim, there's 4 million

jobs and 4 million people in the middle class -- is that the right number?

MR. DOBBINS: Something like 13 million have moved up above the poverty line --

MR. BERGER: -- 13 million have moved up above the poverty line. There still is enormous poverty here. We saw it. And one of the reasons the President wanted to go to the school was not only to speak to a model school, but also to reflect the fact that all of the problems have not been solved, by any means, in South America. But I think you have a leadership now dedicated to economic programs that are creating wealth, growth and jobs. And I think that that's demonstrable.

Q Sandy, what is the counternarcotics component in Argentina? What is the main concern on that subject there?

MR. BERGER: For those of you who don't know, Jim Dobbins, our Senior Director for Latin America.

MR. DOBBINS: Argentina is not a major transit country, not to the degree that either Brazil or Venezuela are. So it's not quite the same, doesn't have quite the same profile in terms of the bilateral relationship. But there are significant drug flows and we do have a significant bilateral cooperative program.

In addition, we've been talking in each of the stops that we've been at about a process designed to strengthen the multilateral aspects of our cooperation throughout the hemisphere. The administration submitted a report to Congress now about four weeks ago with some proposals and suggestions in that regard. We've provided that, of course, to our partners in the hemisphere. We're hopeful that some of these proposals and suggestions can be adopted at the Santiago Summit, and so we've been discussing it at each of these stops. And Director McCaffrey has been also having side discussions with his opposite numbers at each of these stops.

One of these suggestions is for the creation of a hemispheric judicial training facility, which would be funded by the international financial institutions and supplement and assist in the training of hemispheric judiciaries. A second is a program to strengthen the OAS mechanisms for establishing a process of national planning, and then monitoring and evaluating the degree to which each country meets its national plan.

Q It seems to me that there is a little bit of a disconnect between the message the President has been giving on trade and the need for a social compact and his actual trade policy at home, which is there should be no riders on human rights, on labor, on environment, and so forth. Can you address that? Or is this just a --

MR. BERGER: Are you talking about on the fast track bill?

Q On fast track. Or is this just a reaction to what Gephardt was saying?

MR. BERGER: No. I think that the fast track bill that has passed the Ways and Means Committee, that has passed the Finance Committee is a bipartisan bill which under current circumstances seems prudent, if you want to pass the piece of legislation. The President has all the authority that he needs to negotiate environmental agreements or labor agreements as side agreements as he did in NAFTA. So we don't need fast track for those particular agreements that he might want to negotiate.

But obviously the overall effect that a trade agreement has on the environment, has on worker rights and standards are important and will be things that will be taken into account.

What the President simply seeks is the authority to negotiate either good trade deals or bad trade deals. If they're bad trade deals, then Congress ought to vote them down. If they're good trade deals, then Congress shouldn't vote them down. But they shouldn't deprive this President -- as they haven't deprived every President really since Franklin Roosevelt and every modern President since Ford -- the form of the legislation changing, from the simple authority to engage with others in making a good deal, of leveling the playing field for the United States.

We had a lot of discussion in the '80s about a level playing field. Well, the situation now is we've got very few market barriers and others have a lot. So if we negotiate down trade barriers, by and large, they're going to help the United States. They're going to level the playing field. And that's what American workers ought to want. That's what the President wants.

Thank you.

MR. MCCURRY: Joe tells me that here's our situation on filing time. The closer to 6:00 p.m. you leave, the better the traffic is and the sooner you'll get to Buenos Aires, but we will protect anybody who is in extremis. My suggestion is that those of you in extremis don't listen to this and file.

Q Mike, could you tell us your assessment of the release of this latest batch of videotapes? What do they say as far as the White House is concerned?

MR. MCCURRY: I don't have an assessment.

Q What was your answer, Michael?

MR. MCCURRY: I don't have an assessment. I'm not following that. It's happening in Washington.

Q Has the President had any reaction to it? Is he aware of it? Has he heard any reports on how they're playing?

MR. MCCURRY: I'm not aware of any reaction that he had.

Anything else? Okay, good. See you in Argentina.

END

4:30 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Rio de Janeiro, Brazil)

For Immediate Release

October 15, 1997

REMARKS BY THE PRESIDENT
TO STUDENTS, TEACHERS, AND COMMUNITY LEADERS

Mangueira School
Rio de Janeiro, Brazil

2:10 P.M. (L)

THE PRESIDENT: Hello! (Applause.) Governor Alencar, Mayor Conde, Mr. Del Santos, teachers and students of Vila Olimpica, family and friends of Mangueira. It is a special pleasure for me to be once again with Pele -- or should I say Minister Pele. After he turned Brazil into a soccer superpower, he attracted millions to soccer in the United States and around the world. But his most important work is now being done as he shows that sport can serve our children for a lifetime.

Thank you for your passion and your dedication and especially for your work here. Thank you, Pele. (Applause.)

Thank you, Flavia, for your words of welcome. Didn't she do a good job? (Applause.)

As the first student from Vila Olimpica to attend university, you bring pride to your family, your school, the entire community of Mangueira. You're an inspiration to young people everywhere who are striving to make the most of their God-given potential. (Applause.)

The students may wonder what we are doing here today. We are here because children are the future of the partnership between Brazil and the United States; children are the future of our world. And I did not come alone. My wife and I brought with us the American Secretary of State, the Secretary of Education, the Secretary of Commerce, the Ambassador to the United Nations, our Envoy to Latin America, the head of our program to keep our children away from drugs, five members of

the United States Congress, the United States Ambassador to Brazil, and the Brazilian Ambassador to the United States. They all came. I'd like to ask our American delegation, the people from the White House, stand up and let the children see that we care about their future. (Applause.)

On this Brazilian Teachers Day, I congratulate Director Francisco Carvalho, the teachers and staff of Vila Olimpica for all you have accomplished. And I thank Xerox of Brazil for the vital support they, along with other companies give, to Camp Mangueira. Xerox is a good citizen of Brazil and of the United States. Today, Xerox Business Services back home has been awarded the prestigious U.S. Department of Commerce Malcolm Baldrige Award for good citizenship. Thank you for what you do here and thank you for what you do back in America. (Applause.)

I know it is not easy for young people like you to sit in the hot sun and listen to an older person like me give a speech. I will try to be brief. But I want you to know why it's important for me to be here and important for you to be here. We should not stop until every child in Brazil and throughout the Americas has the opportunity you have here at Mangueira. (Applause.)

For here school attendance is nearly perfect, drop-out and juvenile crime rates have plummeted. The Camp Mangueira work-study program helps young people find apprenticeships, putting them on a fast track to good jobs and good incomes. And you're preparing high school at Ciep High School to work in Brazil's high-tech economy. Very simply, you are giving Mangueira's children a future.

Every day, you prove that if we in positions of responsibility do our job, then all the children of this neighborhood and every other one like it throughout the Americas will be able to build a better life for themselves and for their children.

This morning in Sao Paulo, I spoke to business leaders about the remarkable possibilities of the new economy and about the practical and moral obligation we have to give everyone who will work for it a chance to be a part of the future we are building, beginning with excellent education for all our children. Only then can they compete and succeed in the new economy, keep our companies on the cutting edge of the world's

marketplace, and build here and elsewhere a great middle class to strengthen democracy and stabilize society.

It is wrong for only a few to reap the benefits of the wonderful changes going on while the many remain mired in poverty. That is a betrayal of our values of individual integrity and equal opportunity. And, in the end, it will erode faith in democracy and free markets. Those who have will do better by giving a hand up to those who deserve their chance, too. In the Information Age, after all, the true wealth of nations lies in the minds and the hearts of our people, especially our children.

Brazil and the United States have made education a top priority. And I salute President Cardoso, himself a teacher, the husband of a teacher, the father of a teacher, for his determination to improve primary and secondary schools so all Brazilians can make the most of their lives. President Cardoso has targeted some of the profits from your far-sighted privatization program to education. It's the only example of the money not going to reduce Brazil's debt. In so doing, he has made it clear that he believes Brazil's most important debt is to its children. Educating all of them is the best investment Brazil can make.

We are also committed in Brazil and the United States to making technology available to all of our students. A few moments ago, I met with four students from here -- Jamilla DeAbril Belasa (phonetic) and three young men, Daniel, Antonio, and Marcos Frederick -- and we were on the Internet talking back and forth to students in other schools. Jamilla and I used a Vila Olimpica computer to exchange messages over the Internet with students in Woodbridge, Virginia, including a young exchange student from Brazil.

Proper technology and instruction, new methods of distance learning, place a universe of knowledge at the hands of all of our students. Windows replace walls and open new horizons for children here in Mangueira and everywhere. We can light the fire of the imagination and put the dreams of all children within their reach.

We are going to work with Brazil to give all students access to this kind of technology, to set standards to measure progress, to improve teacher training, to increase more exchange of students between our nations, and to help more families in

communities and businesses get involved in the education of our children.

I want to especially thank the International Data Group of Brazil for coordinating the formation of the Tech Corps of Brazil, helped by Gary Veitch, who founded the United States Tech Corps. These volunteers will assist schools with planning and support and training as they bring the kind of new technologies into their classrooms that I saw here today.

We must do more. And we must be honest with our children. We know that education and technology alone will not abolish poverty and inequality. But they do give people what they need to lift themselves up, to join the emerging global society and to make the most of their own lives.

We have to understand what is at stake here. World-class education for all children is necessary for the economic well-being of our nations, vital for maintaining the fairness that holds societies together, and essential for fulfilling the most basic needs of the human spirit. In one sentence: We do not have a single child to waste.

Every child enters this world with a great gift from God -- the power to dream. But that gift can be lost through poverty, relentless deprivation, the daily defeat of hope. We have no greater responsibility than to nourish that power to dream, with education for the children of Mangueira, Brazil, the United States, all the Americas. For it is the dreams of our children that will shape our lives in a new century, in a new millennium.

Thank you, Mangueira, for making those dreams come alive. Thank you. (Applause.)

END

2:21 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 16, 1997

REMARKS BY PRESIDENT CLINTON
AND PRESIDENT MENEM
AT WREATH-LAYING CEREMONY

Plaza San Martin
Buenos Aires, Argentina

9:15 A.M. (L)

PRESIDENT MENEM: My friend, the President of the United States of America, Mr. William Clinton, and the members of his important delegation; members of the diplomatic corps, national authorities, ladies and gentlemen. Mr. President, I thank you in the name of the people and the government of Argentina, and from the bottom of my heart for this homage that you are paying, as well as the members of your delegation, to the builder of our nation, to the liberator General San Martin.

San Martin was an indefatigable fighter, and he created with his valiant grenadiers the movement that crossing the Andes mountain range gave liberty to Chile, to Peru, and to Ecuador, as well, of course, as to his country, Argentina. General San Martin was born in Argentina.

When he was only eight years old he moved to Spain. He studied there. He studied everything that was related to war and to peace. and he had occasion of fighting against the most powerful army of that time, the French army, commanded by Napoleon. It was his baptism of fire, and he was then fighting an army that was considered to be invincible. Back in Argentina, he starts his glorious liberating mission.

You see here, Mr. President, members of all the armed forces of Argentina. The spirit of San Martin is alive in all of them. But in keeping with the changes of the world of today, they are ready for any emergency that would lead them to battle.

But more than that, they have shown Argentina's vocation for peace and these men are actively participating in U.N. peacekeeping missions in close cooperation with the United States of America.

On this day, Mr. President, when we pay tribute to our liberator, General San Martin, we are at the same time paying tribute to these men who are working in the world to further peace. This General San Martin we're paying tribute to was the man who said that he would never take his sword out to cause bloodshed to his brothers.

Once again, Mr. President, I would like to bid you, your charming wife, and the U.S. delegation the warmest of welcomes to Argentina and the city of Buenos Aires.

Thank you. (Applause.)

PRESIDENT CLINTON: Mr. President, Mr. Mayor, distinguished members of the Argentine government; to the people of Argentina. It is a great honor for me, distinguished members of our Cabinet and the United States Congress, to stand on behalf of the American people before the tomb of a true hero of the Americas, General Jose Francisco de San Martin.

I thank you, Mr. President, and all the people here for the warm welcome we have received. Mr. Mayor, I thank you for the key to the city. And I thank our friends in the press corps for showing me how to hold the key to the city. (Laughter.)

Before the monument to San Martin, it is well to remember that as we enter a new era and a new century, all our nations have become so far, began with courageous visionaries, who dared to dream of independence at the dawn of our national histories.

General San Martin often has been compared to George Washington, our first President, and the commander of our forces in the Revolutionary War. Each man rose to the defense of his native land, though the risks were great and the odds of success were long. Both inspired confidence with their simple manners, modesty, and quiet but unbending determination. Both fought for liberty, not conquest. And after their victories breathed life into our fragile new nations, they refused the temptation of despotic rule, preferring instead to embrace the role of citizen.

In 1819 a United States diplomat wrote to his superior of San Martin, "I think him the greatest man I have seen in South America." General San Martin was a proud of Argentinean, but also a citizen of the world, who gladly lent his aid to other nations, seeking their freedom as well. And thus he became liberator and Captain General of the Republic of Chile, Generalissimo of the Republic of Peru. Even when he retired to France, the Belgians sought his leadership in their quest for independence.

Today, at long last, the democracies of the Americas are living up to the legacy of San Martin. They respect each other's independence, stand ready to help each other and other countries beyond the hemisphere to prevent war, preserve peace, and prosper.

In these endeavors Argentina stands out. As guarantor of the Rio Protocol, you are joining Chile, Brazil and the United States in helping Ecuador and Peru pursue lasting peace. Your sons and daughters in the Argentine Armed Forces take on some of the most demanding missions of goodwill, helping wartorn lands around the world turn from conflict to cooperation. As close to home as Guatemala and Haiti, as far away as Bosnia, Cyprus, and Mozambique, Argentina has answered the call to peace.

Some of your peacekeepers are with us here today. The United States, others who have worked with you, and most of all, the people you have helped around the world are in your debt. And on all their behalf, I thank you. (Applause.)

In recognition of your country's extraordinary contributions to international peacekeeping, I have notified our Congress of my intention to designate Argentina as a major non-NATO ally under our laws. Our alliance of values goes beyond our efforts against threat to peace and security, but it begins there.

It also includes a commitment to freedom and democracy, a conviction that open markets are engines for progress, a determination to give all our people a chance to contribute and be rewarded for their efforts in the future we are building, a passionate belief in the potential of every child, and the right of all children to a good education, a profound concern for the environment that we hold in trust for future generations.

Near the end of his long life, General San Martin said, "All progress is the child of time." Here at his final resting

place, I say to you, I believe he would applaud the progress Argentina and all the Americas have made, and the direction we are taking toward a new era of peace and prosperity. But I also believe he would remind us of the work still undone, the challenges still unmet. He would urge us to press on to make progress the child of this time.

Clearly, we have the chance and the responsibility to redeem the promise of San Martin, beyond even his visionary dreams. And so, Mr. President, with high hopes, strong resolve, and generous spirits, let us take our chance and do our duty together.

Thank you, and God bless the people of Argentina and the United States. (Applause.)

END

9:32 A.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 16, 1997

PRESS BRIEFING BY
AMBASSADOR JAMES DOBBINS,
ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS
JEFFREY DAVIDOW, AND MIKE MCCURRY

Sheraton Buenos Aires
Buenos Aires, Argentina

2:00 P.M. (L)

MR. MCCURRY: Good afternoon, ladies and gentlemen. We'll do a readout of the President's entire schedule of meetings today, and then I can tell you a little bit at the conclusion of that briefing about the town hall, if you'd like some additional details on that.

But I'm delighted to introduce again Ambassador James Dobbins, who's our Senior Director at the National Security Council for Inter-American Affairs; and Assistant Secretary of State for Inter-American Affairs, Jeffrey Davidow, who will both brief you on the series of meetings the President had this morning and early this afternoon.

Mr. Ambassador and Mr. Secretary.

AMBASSADOR DOBBINS: Thank you. Jeff and I were in some of these meetings together, and in the first of them I was there without Jeff, so I'll do the first part and then turn it over to Jeff and we can both handle the questions.

The bilateral session with President Menem was in two parts. First was a smaller session with a half a dozen on each side; and then there was a larger session in which all the Cabinet participants who came with the President participated in a similar group of about 16 or 17 people on the Argentine side.

The first session lasted for about 40 minutes. President Menem began by briefly describing the strength of the Argentine economy and the growing importance of foreign investment including, in particular, American investment. The economy is estimated to grow over 8 percent this year. And the U.S. is now the largest source of foreign investment, with U.S. investments currently representing 33 percent of the total foreign investment.

He noted that these results had been achieved as a result of an aggressive program of privatization and support for market reform. And at one point he noted that this privatization had included at one of its earliest stages privatization of the media. The President picked up on that to raise a theme that he has raised in the other countries we visited and has also alluded to publicly in each of the countries he's visited -- that is his desire to, his concerns, our concerns regarding pressures on the press throughout the hemisphere and the desire to look for ways to increase support for and protection of free press.

He suggested, as he has elsewhere, that we look for ways of strengthening the OAS human rights mechanisms to encompass problems of support for the free press. He noted that that OSCE organization in Europe has recently adopted a new structure with the purpose of protecting and advancing freedom of the press and suggested that this model might be looked at by members of the Inter-American system to see if it had some applicability.

President Menem noted that this was a useful subject for discussion at Santiago, the upcoming Summit of the Americas, and there was agreement that we should continue the dialogue among ourselves and with the other partners in the OAS in order to see whether we could advance this issue in Santiago.

The President also expressed support for the creation of a hemispheric judicial training academy. And, again, it was agreed that this was a useful item for discussion and possible decision in the context of the Santiago summit.

The President confirmed, as he already had, of course at the speech this morning that he has notified the Congress of his intent to designate Argentina as a major non-NATO ally. In this connection, he expressed his great gratitude for the consistent support which Argentina has given for international peacekeeping, including a number of international peacekeeping activities of great importance to the United States. He said in

this regard Argentina was a role model which he hoped many other countries would imitate.

He noted that even with relatively small proportions of national forces committed to situations like Bosnia from a number of participants, if it was done at an early enough point, one could have a tremendous impact.

There was some discussion of situations -- Haiti, where Argentina was one of the earliest contributors. Algeria -- Menem was very concerned about the situation in Algeria. He and Secretary Albright discussed what might be done there. They went on to discuss the environment, the issue of global warming. The President made a presentation very similar to the one he had made with President Cardoso and the one he also made in very similar terms at the press conference in Brasilia about his vision of an agreement in Kyoto and the role of developing countries in his view that there was no inconsistency between developing countries reaching their growth goals and participating in a process of emission limitations.

On that subject, Menem, like Cardoso, was very interested, participated actively. Menem expressed general agreement with what the President was saying. Our officials are going to be talking further about environmental issues in the next few days and I expect that environmental issues will also be a topic on which the President and Menem will have more to say in Bariloche this weekend.

The President also raised his interests in electronic commerce, his proposals for a global regime which minimized regulation and maximized the growth of a free market on the Internet. Menem was very interested in this and indicated this was something that he wanted to continue the dialogue with us, work with us on these concepts and also work within Mercosur to bring the Mercosur partners along in this regard.

The President reaffirmed U.S. support for Argentine membership in the OECD. And I think that pretty much concluded the smaller session, and we then moved to the adjoining room, and Jeff Davidow, Assistant Secretary of State for Inter-American Affairs, can brief you on that.

ASSISTANT SECRETARY DAVIDOW: At the larger bilat which was attended by most of the members of the Argentine Cabinet and the officials traveling with the President, the two Presidents reviewed what they had discussed in the smaller bilat, and some

additional points were raised during that time. The basic point of President Clinton was that the sea change in U.S.-Argentine relations that we have seen over the last half-dozen years has been extraordinary, and that we are appreciative of this.

The President talked -- our President talked about our attitude toward Mercosur, a theme that he had raised in Brazil, making the point once again that we have nothing against Mercosur and indeed, to the contrary, Mercosur has helped the economic integration and growth of this part of the world, and that we have benefited from that.

In relation to Argentina's membership in the OECD, as Jim said, the expressed support for this. He also noted that we have continuing concerns with Argentina about the protection of intellectual property rights. We recognize that the government of Argentina under President Menem has taken a number of important steps, but there are still others, some of which are caught in the Argentine Congress, that would be useful to take.

In the large bilat, the two Presidents also talked about cooperative activities on the problems of crime, drugs, counterterrorism; said that both agreed that we should increase our levels of cooperation and increase the levels of cooperation among all members for the Organization of American States.

That was basically the major points that were not mentioned in the smaller bilat.

The President, I should say, also made the point that later this afternoon there will be the first meeting on the Special Consultative Mechanism, which is chaired on the American side by Secretary of State Madeleine Albright, and on the Argentine side by their Foreign Minister, and that that will discuss another whole series of topics of cooperation and interest between the two countries.

After that meeting, the President met with five leaders of the Argentine opposition. As you know, Argentina is going to have an election on October 26th for about half the members of Parliament. This meeting is consistent with the kinds of meetings the President Clinton has had in his other trips in which he meets leaders of the political community. The elections themselves, the campaign were not -- repeat, not -- discussed in this meeting at all.

President Clinton began by talking about his vision of a partnership for the 21st century that would bring prosperity, protection of human rights, democracy, security to the entire region. He noted the extraordinary responsibility Argentina has undertaken in its participation in international peacekeeping, and made the point once again that action by responsible parties early in crisis situations can prevent greater disasters from coming.

There was considerable discussion on the part of the President, once again, of Mercosur, the fact that the United States supports Mercosur, and that we do believe that Mercosur is an important element in the construction of the free trade areas of the Americas.

The opposition leaders responded by noting that the essential basics of Argentina's policies vis-a-vis the United States, those of cooperation, and domestic policies -- that is, support for the free market, support for democratization -- are matters of state; these will not change on the basis of any election. And they confirmed that the relationship that the two countries have would continue whatever party or parties may gain electoral advantage.

The President returned to a theme that he has discussed at great length on this trip, which is how can societies which are progressing economically ensure that all members of the society benefit from globalization, from economic progress and change. And he noted, as he has before, that no advanced democracy has really come up with a perfect answer to this question.

There ensued a fairly lengthy discussion amongst the five political leaders and the President about strategies for improving the social compact. One topic that was discussed, for instance, was the rule of small and medium industry in providing jobs. President Clinton made the point that the best social program is a job, and that in the United States we pay great emphasis on job creation.

There was some discussion of what has happened in Northern Italy, where there has been a great development in small and medium industries; discussion of such things as the Small Business Administration in the United States, loan guarantees for small businessmen. The general discussion focused on how to create employment and make sure that no one gets left out of international globalization.

In that meeting which was extraordinarily pleasant in all ways, the five members of the congressional delegation that are accompanying the President as part of the official delegation participated. We went from that meeting to a meeting with members of the Jewish community of Argentina. The congressional members also participated in that meeting. There were seven participants on the Argentine side. Several of them represent organizations in the Jewish community; others are parents or spouses of people who were killed in either the bombing blast at the Israeli Embassy in 1992 or at the Jewish Community Center in 1995. Also included was a person who lost her husband in the Israeli Embassy blast, who is not Jewish.

The President made the point that these attacks were not only an attack on the Argentine Jewish community, but attacks on civilization around the world. There was considerable discussion about the need to fight terrorism. The President talked about his efforts to isolate terrorists and isolate those states that support terrorism.

The members of the Jewish community, all of the participants there were appreciative of the President's interest. They expressed some frustration about the fact that these two attacks here have not yet been resolved in the sense that the investigations haven't resulted in conclusive criminal proceedings. They expressed solidarity with the victims of terrorism attacks all around the world, including in the United States; stated that they would continue their efforts to find justice for their loved ones who were killed in these attacks. They are committed to keep this effort going and the President encouraged them to do so as a matter of respecting their dead and as a way of deterring further terrorist attacks both here in Argentina and around the world.

AMBASSADOR DOBBINS: Let me just add on that, and then take questions. This group was asking the President both to make sure that the United States was providing what support and information it could to assist this case, which he promised to do, but also, prospectively, to work with Argentina, with other countries of the region to ensure against this kind of attack. And the President was able to say that he had discussed this both with President Cardoso and with President Menem; that one of the themes that we had been pushing in both countries is that we support increase in cooperation between Brazil, Argentina and Paraguay, and that we want to be helpful as they try to increase the attention that they're paying to counterterrorism cooperation.

Q Just to follow up on that, first, where was that meeting? Secondly, does President Clinton share the widespread belief here that President Menem has dragged his feet and isn't particularly seriously concerned about getting to the bottom of it?

AMBASSADOR DOBBINS: The meeting took place at the Sheraton, both of those meetings that we've mentioned. And, no, we don't believe that this has been a case of foot-dragging on the part of the Argentine government. The Argentine system places responsibility for these kinds of cases with the judiciary, not with the government. In a sense, a judge has to take charge of an investigation and draw on police resources, but has responsibility.

The Argentine Constitution also puts responsibility for attacks on diplomatic missions with the Supreme Court of the country. And the Supreme Court of the country, because it doesn't have responsibility for investigating other things, doesn't tend to have investigative experience or resources. And one of the reasons that most people think that the attack on the Israeli Embassy may have languished is because of this peculiarity in the structure that puts a responsibility on a body that's not very well suited to that.

As regards the other case -- the more recent, the judge who has been investigating that has been to Washington, he's met with both the CIA and FBI. He'll be having further meetings in Washington on the subject and we are seeking to provide all the assistance that we can.

Q Did President Clinton inquire of President Menem about the investigations? Did he say anything? I might have missed it, but I didn't hear you --

ASSISTANT SECRETARY DAVIDOW: There was a discussion about terrorism and cooperation on counterterrorism, the kinds of training that we are providing in --

Q -- inquire about these two investigations, and what did he hear back from President Menem?

AMBASSADOR DOBBINS: President Clinton expressed our continued concern and support for progress in these cases and our willingness to assist. He had raised this when he met with President Menem at the Olympics, about six months ago now -- or

whenever the Olympics were, a little longer -- and given him a letter on the subject at the time. And he renewed his interest and support for the investigation. And as I said, we are cooperating with the responsible authorities in Argentina and these investigations are under the judiciary.

Q How firm was the President on the question of human rights here and the freedom of the media? And how long did it take up in the smaller meeting?

AMBASSADOR DOBBINS: I think that section of what was a 40-minute meeting probably took 10 minutes. There were a couple of ideas discussed and they weren't discussed in exactly the same part of the meeting. One was the idea of a hemispheric judicial training institute, which would be funded by the Inter-American Development Bank and other international institutions and would train hemispheric judiciaries and set standards. And the other was the discussion of freedom of the press and the possibility of strengthening the OAS mechanisms in the human rights area to support and promote freedom of the press.

Q Could you address the criticism that at the same time there is a trend toward great regional stability through Mercosur, the United States is actually participating in a negative way because of the special military status we're giving to Argentina, which has worried its neighbors, and the F-16s that we're selling to Chile, which, of course, has worried the Argentineans?

ASSISTANT SECRETARY DAVIDOW: I think in part the President's strong emphasis both publicly and privately is an effort to -- a successful effort, I would say -- to counter that criticism. There is a view that has developed in some sectors of the press and political opinion in the countries of this part of the world that somehow the United States is trying to divide the countries of the region, one from the other, as part of some sort of maneuver to destroy Mercosur. That is totally wrong. We have responded responsibly to new realities in the region, and the President's great emphasis on our support for Mercosur as an important element in building the free trade area of the Americas is, indeed, a response to that kind of thinking, which is erroneous.

AMBASSADOR DOBBINS: I might say that we heard nothing in Brazil which would suggest that these kinds of concerns are taken seriously or that, indeed, the grant of the status to Argentina is having a divisive effect. But certainly the

President's statements, both statements explaining the decision with respect to Argentina and his support for Mercosur and discussions he had in both capitals about the importance of sustaining regional cooperation not just in economics, but in political and security affairs --

Q -- did the F-16s with Chile come up in this conversation?

AMBASSADOR DOBBINS: No.

Q Can I follow up on a major non-NATO military status for Argentina? Which other countries in South America have that status and what does it practically mean for Argentina? What will they be able to purchase now in terms of military equipment from the United States that they couldn't have purchased earlier?

ASSISTANT SECRETARY DAVIDOW: To answer your question, Argentina is the first country in the world, actually, to receive this status on the basis of its participation in international peacekeeping efforts. We hope that other countries in the region, including countries that are also quite active in international peacekeeping, could also obtain the status. It is not a strategic alliance with Argentina. It is not a -- it does not denote any mutual defense obligations, nor does it make Argentina eligible for the purchase of any material that it would not otherwise have been eligible for.

It does have some benefits in terms of cooperation, in terms of training, in terms of research and development, all of which we hope will help Argentina continue its participation in international peacekeeping. It is, and has been acknowledged by the Argentine government and by our government, as a largely symbolic gesture on our part, recognizing Argentina's new status as a very active member of the international community.

Q Do any other countries in the hemisphere have it?

ASSISTANT SECRETARY DAVIDOW: No. As I said, it is the first country in the world to get it in the post-Cold War era. We would hope that other countries would also express an interest in it, as well.

Q Is there any opposition in the U.S. Congress to this?

AMBASSADOR DOBBINS: We've notified the Congress, now, I guess it must be about 10 days ago. We've had no expressions of --

Q I was under the impression that Israel has non-NATO military status as well.

ASSISTANT SECRETARY DAVIDOW: He's talking about the hemisphere.

Q The hemisphere. So there are other countries in the world, but Argentina is the first country in the hemisphere?

ASSISTANT SECRETARY DAVIDOW: That is correct. There are seven other countries in the world that have this status -- Israel is one, South Korea, Jordan, Australia, New Zealand, and there may be some others. But as you can see, those are countries, in some cases, that are in parts of the world that are far more conflictive than the Western Hemisphere. The designation of Argentina should be seen as a new approach for this designation and one which is entirely focused on international peacekeeping.

Q What did Argentina do to acknowledge its acceptance of this status, and does it come with any obligations on Argentina?

AMBASSADOR DOBBINS: It's not a reciprocal arrangement, it's a designation. It's not an agreement, it's a unilateral gesture, and it imposes no obligations.

Q Is it something the they requested?

AMBASSADOR DOBBINS: They did request it, yes.

Q Can you give any concrete examples on the kind of research and development and training cooperation that they'd be eligible for that they're not --

AMBASSADOR DOBBINS: I honestly don't think that they requested this status with a view to anything specific beyond the recognition that it implies that they had fundamentally changed the nature of their relationship with the United States, which had been antithetical for three generations, to one that was cooperative and collaborative. And they were seeking recognition for that through this designation.

Q That wasn't my question. The question was, can you give some sort of -- something specific to hang it on so we don't just say, in terms of research and development and training --

ASSISTANT SECRETARY DAVIDOW: Okay. Under the MNNA law, there is the possibility for countries which have previously received this and it would apply to Argentina, for research and development on defense issues. I can't give you anything more specific, but let me give you this specific thing. We engage in joint training with the Argentine military on a variety of issues, but largely focused on peacekeeping. This will enable us to give even more training, participate in even more exercises with them on this particular issue. The Argentines are also doing a lot of training, cross-training activities with their neighbors. This will help promote their ability to engage in international peacekeeping, as they are right now, and can be even more effective.

Q Could you explain what -- isn't the President, on of his concerns regarding -- can you talk about specifically what problems he sees in terms of the press -- Argentina and what he wants Menem to do about it?

AMBASSADOR DOBBINS: Threat? No. I think -- I'm not sure what they're referring to when you said "threat."

Q No, pressure. You used the word "pressure," pressures on the press.

AMBASSADOR DOBBINS: No, he was referring to a problem throughout the hemisphere as he has done in each of the other countries he's visited, where the press -- for instance, where the press is either under pressure, where there are disagreements with local governments as there are in a couple of other countries in the hemisphere, between the press and the local government about their appropriate role; or where the press comes under direct threat from individuals, not from governments, where they're threatened and where in some cases they're killed.

I think the International Press Association, the hemispheric press association has pointed to a number of instance where journalists have been threatened or even harmed or murdered. And it is this general concern, which is applicable in Argentina, but it is also applicable in a number

of other countries in the hemisphere, which the President was referring.

Q Ambassador Dobbins, to follow up on that, what's the administration's view of the widespread assessment in media circles here and at home that the Menem government in many cases encourages violence and pressure on journalists?

AMBASSADOR DOBBINS: I guess -- the only instance I know in which President Menem has been accused of encouraging violence was one quote that he used from Benjamin Franklin for which he subsequently apologized. There have been instances in which members of the government in the sense of low-level policemen have been accused of participating in abusing the press. This is a case of common criminality and corruption at that level rather than conscious government policy.

President Menem noted that one of the first steps of his government in their privatization campaign was to privatize the media, and certainly the media in Argentina is very vigorous and very critical.

Q Back on the ally status, is it wrong to say, as has been written here -- show Argentina priority access to American-made weapons, ammunition and spare parts?

AMBASSADOR DOBBINS: I think that would be an over-generalization. What is -- do you have a quote that you're citing from?

Q No, this is this is just the way it's been written.

AMBASSADOR DOBBINS: I think that would be too --

Q -- some priority access to this weapons and ammunition and spare parts?

AMBASSADOR DOBBINS: Not as generically as you're suggesting. The legislation itself, in fact, carries some very narrow authorities. Those authorities are duplicated in other legislation for other purposes. So, for instance, you could grant something under that authority, an access to excess equipment which had been deemed surplus or a training program, but you could also provide that under another authority for somebody who was cooperating in peacekeeping. Argentina, for instance, already has access to excess American defense

equipment, as does Brazil and Chile, under the authority that goes with cooperation and peacekeeping.

This authority gives you another basis to do it. But its importance both for Argentina and for the United States is that it symbolizes the change in its international orientation and a desire to cooperate with the United States in international peacekeeping.

Q Does it provide any practical benefits for non-military high-technology purchases?

AMBASSADOR DOBBINS: No.

Q Computers?

AMBASSADOR DOBBINS: No. It's completely silent on that.

Q Going back to Brazil just for a second and proceed on the same subject, is it correct that the Brazilian government did not raise the subject when you were there?

AMBASSADOR DOBBINS: Yes, it is correct that they did not raise the subject.

Q The subject was not an issue in Brazil in any way.

AMBASSADOR DOBBINS: No. I mean, it was -- you could it to have been touched on in the sense that President Clinton made clear our support for Mercosur for cooperation among these governments, including in the area of security, that he was not asking any of them to choose between their relations with each other and their relations with the United States, as he said very explicitly. So in that sense you could say that it was encompassed in those general statements. But it was never raised by the Brazilian side in any form or by us.

Q Did the President raise the subject of corruption? And if yes, what was Menem's reaction?

AMBASSADOR DOBBINS: I think it came up in the context of -- it came up only implicitly in the sense that we supported the creation of a hemispheric academy for training judiciaries. So in that sense there was a positive approach to it. There wasn't anything else explicit that I can recall.

Q The word wasn't mentioned?

AMBASSADOR DOBBINS: I don't believe so.

Q On that subject, many Argentines are thinking that this new military partnership between Buenos Aires and Washington might lead up to a final settlement between the U.K. and Argentina about the Falkland Islands. My first question is, is the State Department worried about the reaction you might get from the British government? And secondly, do you have any actual -- government regarding this aspect now that Washington has promised them this new military liaison?

AMBASSADOR DOBBINS: Let me answer part of the question, then let Jeff do the other half.

The British government was fully aware of this and was fully aware of it before we made the decision. We don't see any connection. I don't think they see any connection to the issue of the Malvinas and the discussions between the U.K. and Argentina and this designation which, as I've said, is designed to support continued cooperation and peacekeeping.

But why don't you talk about the other issue?

ASSISTANT SECRETARY DAVIDOW: Well, there is no connection, period; absolutely no connection. The issue of the Malvinas was discussed and the President -- President Clinton listened to President Menem. No specific requests were made of the United States by the government of Argentina in this regard. President Clinton expressed our interest in seeing two of our very best friends continue the dialogue that has been going on for some time and continue the improvement in the relations, which are now excellent, between the United Kingdom and Argentina. That was the nature of the conversation.

Q Could you explain how this military partnership is anything more than a phrase? I mean, I don't understand it at all. You suggest that --

ASSISTANT SECRETARY DAVIDOW: It is not a military partnership, okay. And I think we've explained it. The point is, it is a designation to Argentina which we use because we have an existing authority in legislation to do this to recognize that Argentina is a major non-NATO ally. But that is not a strategic alliance or a mutual defense obligation as other alliances are. It is a designation which recognizes Argentina's

involvement in international peacekeeping and can be used to help Argentina and that involvement.

Q You suggested, though, that it implies additional exercises beyond just peacekeeping type operations. Could you elaborate?

ASSISTANT SECRETARY DAVIDOW: I think the focus is in what we have said to Congress and what we have said to the Argentineans is essentially on peacekeeping. That's why this is a new way of utilizing this legislation the first time. We hope that there will be other occasions in which those countries such as Argentina, and there are some others in this region, maybe elsewhere in the world, who are particularly active in international peacekeeping, will get a special designation from the United States government.

MR. MCCURRY: Last question.

Q Did President Clinton make any commitment or any commitment on behalf of officials to try to help the dialogue between the British and the Argentine government along --

AMBASSADOR DOBBINS: No, he said exactly as Jeff said, that we regard -- this is a dispute between two of the best friends the United States has ever had, and that we are pleased that relations between them are improving, that they are in regular discussion, and that we hope that they will be able to settle the issue between them.

ASSISTANT SECRETARY DOBBINS: Thank you.

MR. MCCURRY: Thanks. Let me just very briefly tell you about the town hall. We've given out some details on what this is. Have you got enough on that already? Okay.

This town hall, which is being really produced by Univision at their request but certainly with the encouragement of the White House, is entitled "Voices of the Future: Face to Face with President Clinton." The audience participating will be about 300 young leaders from countries throughout the hemisphere. There are 125 that will be in the studio audience here in Buenos Aires. They are from a mix of countries -- Argentina, the United States, Mexico, Chile, El Salvador, Dominican Republic, Uruguay, Colombia; I believe there are some from Cuba participating in the audience as well.

The audience was selected, put together by Univision -- people at the Univision public affairs operation can tell you more how they selected the audience. There will also be, by a live satellite link-up, 75 young leaders in Miami, 75 in Los Angeles. The age range is roughly 17 to 32.

And we don't have any preconceived notions of what the questions will be about. The President wants to make a presentation that's very similar to what he has been arguing to the audiences he's seen here, but he sees this as a great opportunity in front of a live audience here and connected to an audience in America to portray in a very visual way how our country and other countries in this hemisphere are interconnected.

All right, enough on that. The President has today used his line item veto authority once again to cancel a provision of the 1998 Treasury and General Government Appropriations Act. He has acted to strike a provision in that bill that was added at the very last minute which would declare a new open season for federal employees seeking to shift from the old Civil Service Retirement System to the new Federal Employees Retirement System that was created by an act of Congress several years ago.

This provision would have cost an estimated \$1.3 billion over five years because it, in effect, makes more generous some retirement benefits available to federal workers. He struck specifically \$8 million in the 1998 appropriations. It would have been, as I say, roughly \$1.3 billion over the five-year period. We've got a statement that provides further detail on that.

Q Who added that provision, Mike?

MR. MCCURRY: I believe it was -- one of the strong sponsors was Senator Stevens, if I'm not mistake. I'd like to double-check that, but I believe that was the case.

The President believes this is an excellent example of why this authority is important. This is a provision that was not debated by either the House or the Senate. It was added during the House-Senate Conference Committee on the appropriations bill, and at that, at the very last minute. And the President believes one reason Congress gave him this authority is to protect against those last-minute expenditures of funds which need to be more carefully considered.

The President's main reason for acting here is this would have been a considerable cost to federal agencies that have scarce resources already that need to be devoted to programs. It would have required those agencies to shift money from higher priority efforts to the payment of more generous employee benefits for federal workers.

Q -- Senator Moynihan are filing suit, I think today, over the line item veto of the New York Medicaid funding. Do you have any comment on that?

MR. MCCURRY: Well, I think as you know, last week the administration explicitly clarified that the state of New York is not liable for over \$1 billion related to regional provider taxes, which is the underlying issue that provoked the President's line item veto. We have also indicated our support for legislative provisions that would give the Secretary of Health and Human Services authority to give up all the current retrospective liabilities of currently impermissible taxes that are charged by a variety of states.

We are trying to solve, as you know, a problem that existed for a number of states, not only New York. The President and the administration believe that the offer extended to New York was very generous. I think it was almost two-thirds of the liability that would have been covered by the clarification that we offered. But if the state, with the support of law-makers, wishes to sue, the United States government will make whatever proper decisions related to how to contest that in court.

Q If I can just follow up on that -- does this effectively end any further negotiations as far as the government is concerned? Would the administration be willing to continue talking even while the suit is --

MR. MCCURRY: Well, we, as you know, have been in very close consultation with the Governor's Office, with other members of the delegation, and made what we felt was a good-faith effort to resolve the situation and the clarification extended. But it was summarily rejected by the Governor. We would always be open to having continuing conversations if there's a desire by the state and by local officials to attempt to resolve the matter.

Q And is the line item veto -- how many line item vetoes has he issued as of this point?

MR. MCCURRY: As of this -- I think we're up to -- this is the fourth bill upon which he's acted. I think --

Q This is the 55th by my count, Mike.

MR. MCCURRY: Thank you, Mr. Knoller, as usual. (Applause.) There's a trick -- there's a little asterisk on that, though, Mark, which is that the SR-71 provision that he struck, the funding for that was actually two separate actions because it was contained two places in the bill, but it was one project. I'll bet you Knoller did know that.

Q In your first two spending bills you made the point repeatedly that what might be worthy projects, it's just a matter of -- is this the first use against old-fashioned pork?

MR. MCCURRY: No, no. Look, it is not pork to provide good quality employee benefit coverage to federal workers. That by no means would the President consider that pork. He highly values the professional service rendered by employees of the federal government. But at the same time, we have a generous package of benefits that have been structured. This would have added to the cost that agencies have; it would have prevented some of those federal workers from having the resources to devote to program activity that they carry out. And the President, on balance, felt it was better to keep priority spending where it's needed and to specifically cancel out an open season that was not recommended in our budget, it was not recommended by the Office of Personnel Management, it was not included in any discussions the Congress had that I'm aware of.

Q How many people -- would this have affected all federal employees?

MR. MCCURRY: It would have -- the provision could apply to over 800,000 federal civil servants and congressional staff, and over 300,000 postal service workers. These are people currently covered under the Civil Service Retirement System who are not currently eligible to switch over to the Federal Employees Retirement System, which covers most new-hires to the federal work force.

Q It affects \$1.1 million people.

MR. MCCURRY: It affects 800,000 federal civil servants and staff, plus the 300,000 postal service workers.

Q So 1.1 million people are going to suffer as a result of the President's line item veto?

MR. MCCURRY: -- 1.1 million people will continue to enjoy the excellent benefits packages that they currently have as a result of their federal employment; they won't have it added to.

Q Are there any other bills on which the clock is ticking on this?

MR. MCCURRY: The energy and water appropriations act, the Office of Management and Budget has been very carefully evaluating that bill. I believe the deadline for action on line item vetoes is Saturday.

Q Is that the one, Mike, with the certain dredging project down in --

MR. MCCURRY: That's the one that comes closest to oinking.

Q Did I hear you say that Cuba is participating in this forum?

MR. MCCURRY: I believe so, but we'll find out more about that. You need to ask the Univision folks, who actually gathered the audience together. I was given a list, and Cuba is included, but I'm not sure how many or who.

Q I've got a question on -- the U.S. Maritime Commission apparently said it's going to seize Japanese ships in the U.S. because they refuse to pay --

MR. MCCURRY: That probably just broke. I know that federal Maritime Commission has been meeting. We had asked them to try to extend the time, because our negotiators are in a discussion with representatives of the government of Japan on the underlying issue, the cost of services at ports. We will attempt to understand better what the decision of the Commission is. The President does have some authority under law to review actions that are taken by the Commission of that nature.

Q Do you expect him to override what they've said?

MR. MCCURRY: I'm not predicting or speculating at this point. We need to understand more carefully whatever decision has been reached by the Commission. When I began this briefing,

all I was aware of is that they were currently meeting and I did not know that they had reached any decision.

Q Do you know if the global climate change -- came up today --

MR. MCCURRY: It did come up today. Just from the little I gleaned from our briefers just talking about the meeting, I know that President Menem and President Clinton talked about the issue and its importance. They talked about the importance of coming to a common understanding as we prepare for the Kyoto conference.

I think you know that the Presidents are going to be together again on Saturday for a discussion of environmental protection. And I think it's likely that they will have some more to say on that subject at that time.

Q The First Lady today made a speech encouraging women to make their voices heard, press for political change and elect more women to office. Does this signal a change in her public visibility to --

MR. MCCURRY: I think she's been encouraging women to do that for most of her adult life.

Q But she talked about subjects which were perhaps touchy in a country like this, including family planning, and she even mentioned abortion. It seems that she's taking a slightly higher profile than she has in the recent past.

MR. MCCURRY: I don't believe that's so. I think that she has, very often when she's traveled to countries, been quite outspoken and forthright in the issues that she's raised. I think it's not always the case that she has as much press traveling with her, but some of you who have traveled with her on trips know that she has been quite outspoken on these trips.

Q -- that the President is going to Kyoto?

MR. MCCURRY: No, no, I didn't intend to. I said, as we prepare -- as the administration, collectively, prepares for the discussion in Kyoto. There's been no decision, no change in our views on that. We don't know what is to be accomplished at Kyoto and there's been no decisions made by the United States government as to level of representation.

Q Do you want to comment at all on these videotapes that were released in Washington?

MR. MCCURRY: That's happened a hemisphere away and we've got people back there -- you've had plenty of commentary from the White House by those who are working at the White House on the issue. We're not working on that in this hemisphere at this time.

Q Can you at least respond to Specter's assertion that one of the tapes nails the President on the subject of coordinating campaigns?

MR. MCCURRY: I'm not aware what Senator Specter has said; I haven't followed his remarks.

Q There's a suggestion that on one of the tapes the President seems to be basking in the fact that some of those --

MR. MCCURRY: Wolf, I haven't seen the tapes, so I can't react.

Okay, anything else?

Q It hadn't actually occurred to me before, but I heard it today from somebody -- was that however well-intentioned this hemispheric town meeting is, that it may contribute to a perception in the United States that all these Latins are more or less an amorphous group, the fact that different cultures, whether the Cubans or the Mexicans who are going to be at the Los Angeles meeting --

MR. MCCURRY: I think that when the individual leaders, the young people who are in the audience have a chance to ask their questions, I don't think they will look like an amorphous blob at all. I think they will be seen as interesting, engaged people, leaders of their own communities who are interested in issues.

And one of the things the President has stressed here are those things that we share in common with all the governments of this region -- things like respect for the rule of law, the importance of democratic institutions, the phenomenal success of market economics as a way to create growth in this regions. And the enduring values that we share up and down this hemisphere. And I think that, if anything, as you see a very diverse audience engaged, you'll see some of the central themes of this

trip underscored, that we have a lot in common with other countries in this hemisphere and that we need to work together to address our common goals and objectives.

I think I'm done.

Q I was told yesterday that Steinberg is going to meet with the press association, the Argentinean press association.

MR. MCCURRY: It was the intent of a couple of our staffers, I think Mr. Blumenthal, maybe Mr. Steinberg as well, to meet with representatives of the press here in Argentina, also to follow up on some concerns that we have had expressed to us by the Committee to Protect Journalists, which has raised some very serious concerns about the degree of harassment and intimidation that members of the media here in Argentina encounter.

You've heard the two previous briefers address that. That subject did come up with President Menem today. But there is a great deal of concern about the working conditions that journalists have, and we are concerned by the concerns that they have raised as to what might be the motivation of those who are suffering harassment and intimidation.

Q Mike, if I could just follow up on that. Given that there is concern about journalists being treated here, about whether or not this investigation of these bombings is being -- why would the government -- why would our government be giving what seems to be a boost to the Argentine military, when you share some of these concerns? I mean, it seems counter.

MR. MCCURRY: Those are separate questions. There has been a significant and dramatic change in the nature of civilian authority over the military here in this country, as is abundantly obvious, I think. But at the same time, our concern about freedom of the press and the role that a free press plays in a democratic life is very well-known and causes us to raise our concerns.

I've got to -- maybe take one last question, then I've got to go.

Q -- inconsistency between you and the previous briefers. I thought when they discussed the matter of press freedom in Latin America they were sort of saying that this is an issue that cuts across several nations -- while they may --

but then just as -- just if I can complete the thought, the fact that Steinberg and Blumenthal are going to meet with journalists here, and from what you just said, suggests --

MR. MCCURRY: We need to double-check and make sure that that --

Q But that suggests the administration is -- or acknowledges that the administration is particularly worried about press treatment in Argentina, that it's particularly worried here.

MR. MCCURRY: There are a number of countries in this region that have -- in which working journalists have reported these types of concerns. That problem is not exclusive to the working journalist community here in Argentina, and it's the reason why, as the previous briefer suggests, we have suggested there might be within the mechanisms of the Organization of American States a way to deal with the need to cultivate and respect the institution of the free press.

Q But is the problem worse here than elsewhere?

MR. MCCURRY: I don't want to characterize it as being worse -- because there are situations in other countries that, if you talk to some of your colleagues who do very good work with the Community to Protect Journalists, they can tell you that there have been isolated situations that have been more dramatic and more gruesome in other countries than the reported instances that have occurred here in Argentina.

Okay. Thanks.

END

2:55 P.M. (L)

THE WHITE HOUSE

Office of the Press Secretary
(Buenos Aires, Argentina)

For Immediate Release

October 16, 1997

REMARKS BY THE PRESIDENT
IN TELEVISION TOWN HALL

Univision Television Network
Buenos Aires, Argentina

4:07 P.M. (L)

THE PRESIDENT: Thank you, Jorge and Maria Elena. And I thank Univision for giving us the chance to have this conversation. I want to thank all the young people here in Buenos Aires and joining us from Miami and Los Angeles for being a part of this.

I am near the end of a remarkable trip which my wife, Hillary, and I, a distinguished group from our Cabinet and the United States Congress have taken to Latin America to celebrate the changes that have taken place -- the moves from dictatorship to democracy, the moves from closed economies, high inflation and big debt to stability and growth -- the moves that are bringing all of us closer together.

I came here to talk about what we have to do to prepare for the 21st century, how we have to work together to seize the promise of education and technology, to shoulder the burdens of preserving our environment and dealing with new security threats from drugs and crime and terrorism.

Most of all, I came to reaffirm the commitment of the United States to be a good partner with Latin America as we move ahead, and especially to emphasize the fact that our fastest growing minority of Americans are Hispanic Americans. We are growing together in more ways than one, and today I hope we'll talk about what we can do to build the kind of future we all want together. (Applause.)

MODERATOR: Thank you very much, Mr. President. I'd like to ask you for your permission to introduce your wife, Mrs. Hillary Clinton is here with us today. (Applause.) Mrs. Hillary Rodham Clinton, of course, has been accompanying Mr. Clinton throughout this Latin America tour. But she, herself, has traveled through several Latin American countries promoting programs to benefit women and also programs that alleviate poverty. So we want to welcome her especially. And many Latin America of course read your weekly column. Welcome.

We're going to start right away with our first question for the President of the United States, Bill Clinton. This Paula Camacha (phonetic.) She is Colombian, 21 years old, she studies law at the National University of Buenos Aires. And your question?

Q Mr. President, can you show the world a reduction in drug consumption which is proportional to the reduction of production and cultivation of drugs?

THE PRESIDENT: I think the short answer to that question is, yes, we can do that. We can show that a lot of our drug consumption is going down. Overall drug consumption has been going down in America for the last several years. But, to be fair, we have one big, troubling thing, which is that drug consumption among our younger people, people under 18, is still going up. And since, in America, children of school age now are the largest number they have ever been, that's a problem we have to continue to work on.

So the answer is, we've made some progress; we have to do much more. I just secured from the Congress a program to dramatically increase our efforts to reduce drug demand at home, especially to reach out to our younger people with messages from people they respect telling them that drugs are wrong and illegal and that they can kill them.

Now, in addition to that, of course, we are working more closely -- we spend more money in Colombia than any other country working with the authorities there on antidrug campaigns. But this is an issue that will increasingly involve all the nations not only here on our own soil in the Americas, but throughout the world. And there is no easy answer. You must fight all the chain of supply and you must change the whole psychology of demand. And we have to give a lot of our young people hope so that they have something to live for, something

to say yes to, some reason to do things that are constructive and good not only for society, but for themselves as well.

Q Mr. President, a question related to this. As you yourself have recognized, the United States is a country that consumes more drugs in the world -- one out of every three U.S. citizens, according to the polls. And many believe that the certification process is unfair. Is it true that at the Summit of the Americas in Chile next year you are going to announce the end of the certification process?

THE PRESIDENT: We have made not decision about that. Several years ago, our Congress passed a law which requires us every year to certify that the people in authority in countries are doing all they can to help us to fight the drug problem. The decertification process and some intermediate steps are extreme measures taken under unusual circumstances. But even in the case of Colombia where there was a decertification decision, we still continue to invest more money in Colombia than any other country in working with local authorities there and federal authorities to fight the drug problem.

So I think what we have to emphasize is that our approach is partnership, whether it's Mexico, Colombia, any other country in the world. What we prefer is to work with people. And we recognize that in a lot of the producing countries, it requires enormous courage, enormous courage, and people putting their lives on the line to try to stand up to the narco traffickers. And what we want is a world in which we work more closely with them and we reduce American demand. And, as I said, we have now seen American demand go down, but our children are still using too many drugs.

MODERATOR: Mr. President, this question comes from a woman who works at the Foreign Ministry in Argentina. She's concerned with human rights.

Q Mr. President, good afternoon. Over the last few months there's been a lot discussed about the role of the armed forces in our region in the fight against drug trafficking. There are messages, although not all of them homogeneous, from your country that would seem to favor such a role. And specifically, in our country there are certain fears. And since you know the tragic history we've suffered here, I would ask for your personal opinion on this.

THE PRESIDENT: Well, first of all, let me say that one of the great things that should make all Argentines proud is the changing nature of the role of the armed services in the last several years. Now Argentina is recognized -- when people think of the Argentine military around the world now, they think of peacekeepers from Bosnia to Cyprus to Mozambique to Haiti. This is very different than it was in former times. And I would say you wouldn't want to do anything to change that.

Now, in different countries there will be different capacities for dealing with this issue. And different nations may want to find some role for the military; it may be necessary. In our country we use the National Guard, to some extent, to fight the drug problem. But I think we all recognize that it is a national security issue. We all recognize that these people are wealthy and powerful and well-armed and capable of killing large numbers of people in a short period of time.

So the question each country will have to face is, how am I going to deal with this, how am I going to fight it. And if you use the military in a domestic situation, then there must be extraordinary precautions, obviously, taken to avoid the kinds of abuses which would be possible. In most cases in our country such things are not legal anymore because we're so sensitive to it.

But I wouldn't want to make a judgment for every nation. I would just say every nation should do what is necessary to deal with a security threat, but should do so in a way that protects the civil liberties and the human rights of the people and guarantees civilian control of the military, because that's one of the great triumphs of Latin America in the last 15 years or so and it should not be sacrificed.

MODERATOR: As we said earlier, at the beginning of the program, we are not just going to have questions in Argentina. We're also going to have questions from Los Angeles and also Miami. We're now going to hear Teresa Rodriguez in Miami, a city that many times has been the northernmost Latin America city.

MODERATOR: That's right. Thank you, Maria Elena. Here we are with Eduardo Canto (phonetic) -- he is 16 and he's in his junior year in high school.

Q Good day, Mr. President. Freedom of expression and access to information are two basic ideas for any democracy as

an example of a hemispheric initiative to provide more information for North and South America. My question is, which of these events, or which of these things do you think are necessary, or what should happen in order to increase access to information? And also, how we as a hemispheric community, how can we incorporate countries like Cuba where actually there is no respect for freedom of expression?

THE PRESIDENT: Well, let me answer your bigger question first. I think it's very important not only that we have freedom of speech and freedom of the press, freedom of association in every country of the Americas, but that we take the initiative to try to increase the information available to people.

I just came from Brazil, for example, where I visited a school in a poor neighborhood in Rio. And they had computers there which were placed there through a joint operation of private companies and the government. And we spoke over the Internet to students in an American school, just across the Potomac River from Washington, D.C.

One of the things that I have been trying to do on this trip is to get all the leaders of South America to work with me, especially in Argentina and Brazil, to dramatically increase the technology available to students, and then the use of the Internet. In addition to that, the United States is trying to get all the countries in the world to promise not to overly regulate or tax or burden the Internet so that we can get more information out.

The technology available today enables us to bring education to children who could never get it; enables us to bring information to people who want to make a living, who never would have been able to get that information. It can revolutionize the way we do business in a positive way if we do it.

And eventually I think no society can remain closed to it. Cuba will inevitably get this information and respond to it and it will lead to a rising democratic impulse, just as it did in the former communist countries of Eastern Europe. So you should be optimistic about that. We just have to push this technology out there for education and for opportunity to all people. It's one of the ways we're going to sort of close the gap between the haves and have-nots, and not leave all the poor people that are

still in Latin America behind -- and still in our country, I might add.

MODERATOR: We're jumping back and forth. We're going to jump from Cuba to other subjects. Let's go to one of the most multicultural and multiracial societies in the world, Los Angeles, with Maria Antonieta. Go ahead, please.

MODERATOR: Here in Los Angeles, Mr. President, (questioner) -- is an immigration lawyer and she works for the Center of Resources for Latin Americans, and she has this question.

Q Mr. President, on behalf of -- in Los Angeles and the Central American community in the United States, I'd like to thank you for the leadership you have demonstrated through the initiative of the legislation presented to Congress several weeks ago. As you well know, last week two Republican members of Congress announced an agreement which has not yet been finalized, and a legislative proposal. My question is, what possibility is there to see legislation passed that is fair and just in the way that Salvadorans, Nicaraguans and Guatemalans are treated -- all of these people who are under special immigration programs?

THE PRESIDENT: Just very briefly, for the benefit of all the people here in Buenos Aires and who are listening to this who may not know what we're talking about -- in the political upheavals of the '80s in Central America, the United States gave special permission to people who were affected by these troubles to come to the United States, in theory for a limited amount of time until democracy or peace had been restored to their country. Then they were to return home. By the time that happened, they had been here quite a long while, particularly Guatemalans, Salvadorans, and Nicaraguans.

Under a law passed by our Congress last year, they would all have had to go home immediately. So our Attorney General, working with me, issued an order to stop that while we tried to fix it. I think the chances are excellent that we will be able to at least return to the former system, where we'll be able to leave people here on humanitarian grounds who have made marriages and made families, had children and started their lives. And I'm encouraged that finally we have also gotten a positive response from some of the Republican members. Some of that legislation, as you know, is directed to benefit only

Nicaraguans. I think we should help them, but I don't think we should forget about the Guatemalans and the Salvadorans either. I think the chances are excellent that we will have legislation which will enable us to do the humane, decent thing. Thank you.

Let me also say, if I could just make a point about Los Angeles. While Hispanic Americans are the fastest growing group of Americans, Los Angeles County, our largest county, has people from at least 150 different racial and ethnic groups -- in one of our counties. So we are becoming a multiethnic democracy in ways that we never have been before. And if we do it properly, it will be a great thing for our future.

Thank you very much.

MODERATOR: Mr. President, the next question is from Javier Fernando Nunez, Argentine. He's a lawyer and he specializes in patents and intellectual properties.

Q Good afternoon, first of all, Mr. President. The United States, on the one hand, is promoting the establishment of the Free Trade Area of the Americas, the FTAA, and has now embarked on its own regional integration project which is NAFTA. On the other hand, it says that it would be against integration blocs in Latin America that would limit the exports or imports of third parties. Now, my question is this: How can you simultaneously hold both positions, which at first sight seem to be contradictory?

THE PRESIDENT: Well, first of all, let me tell you what my position is. I supported the establishment of NAFTA. I supported the strengthening of Mercosur. I support the Andean Pact. I support CARICOM. Why? Because when countries that are neighbors lower their barriers and trade with each other, they increase growth and wealth. They also acquire a political closeness that makes former conflicts unthinkable, and they begin to look to the future and to their children, instead of to their pasts, prejudices, or difficulties. They tend to work together to solve problems the way we're working with Argentina and Brazil, for example, to help Peru and Ecuador resolve their problems on the border.

Secondly, I believe that being for Mercosur, being for NAFTA, being for these other pacts is sort of a first step toward trying to have a larger hemispheric economic integration.

If you imagine -- all of you here are younger than I am -- imagine what your life will be like 20 years from now. Imagine all the people who live in Argentina who couldn't come here wearing a coat and tie yet. How are they going to have opportunities in the future? How are they going to live out their dreams?

If we can integrate the markets from the northern part of Alaska to the tip of Tierra del Fuego so that you have 800 million people who are in a deliberate fashion trying to work together and grow together, that will change the future of people that otherwise won't be touched.

So to me, I say yes to hemispheric integration, but let's build on what's happening now that's working.

Q Mr. President, of course, you have tried to keep the focus throughout this tour on trade, which is one of the main points. But, unfortunately, other subjects have come up that you would have preferred to leave at home. Some people in Latin America criticize Presidents because they use their position to benefit from power and from elections, and there are people who criticize you perhaps for the same thing, by making phone calls from the White House or perhaps holding coffees for people who could finance your campaign. Do you think there is anything valid in any of those criticisms?

THE PRESIDENT: No. (Laughter.) But it's true that I tried to win reelection, and it's true that I asked people to support me, and it's true that from time to time I actually talked to my supporters. I think that's how democracy works.

But on the other hand, I don't mind people saying that, well, in their opinion we should have done it one way or the other. The fundamental problem in America is there is no effective limitation on spending; there is no access by national candidates or federal candidates for our Congress to free or reduced air time. And so we have increasing costs of communication in campaigns. And one of our big problems, if we want to preserve our democracy in a way that has the trust of the people of our country and gets participation back up, people in public life and people who want office should be doing more things like this, and there should be strict limits on spending in return for access like this to the public, so that people feel that they're participating. That's the real problem. We ought to pass the finance reform legislation that I'm supporting

or some other version of comprehensive campaign finance reform. Every nation should do that.

MODERATOR: Mr. President, we're going to change subjects now, move from politics to a subject that affects many, many people. It doesn't matter if they're from the north or the south. It doesn't matter if they're in machista societies or not. Diana Ruiz (phonetic) is an Argentine lawyer. She specializes in domestic violence.

Q Mr. President, I'd like to ask you with regard to domestic violence, which recently has been publicly recognized by the nations of the world as a serious social problem that especially victimizes women and children, what are your policies -- active policies to prevent it and eradicate it?

THE PRESIDENT: First of all, I think -- I thank you for working in the field, and I think it's very important that domestic violence is being recognized as a human rights issue. My wife should be answering this question. She has done a lot more work on this than I have. She went to Beijing to the International Women's Conference to talk about this, among other things. She spoke with women from Argentina today, just today, about this and has talked about it all over Latin America.

It is not a cultural issue, it's a human rights issue, and it is a crime. And for -- what we have done is we set up a special division in our Justice Department with an advocate on violence against women. We established a toll-free long distance phone line so that people could call us from all over the country to talk about instances of domestic violence, to ask for help, to get -- for treatment for people, for law enforcement support, for whatever. And it has been very well used. And we have done a lot of work to increase the sensitivity of our local law enforcement officials and to train them better, so that they know it when they see it.

I know that may sound funny, but a lot of people don't know it when they see it, don't know how to respond to it. And I think every country needs to do that. There needs to be an advocate. There needs to be a way ordinary people who aren't being heard in their neighborhoods or their communities can call and get help. And then there needs to be a comprehensive training program to change the priorities, the attitudes, the understandings of the people in law enforcement. It should be a priority in every nation of the Americas. And I would be the last to say we have solved the problem in America, but at least

we are aggressively pursuing it. And I thank my wife for making sure we're trying to do the right thing anyway.

MODERATOR: Thank you very much for that question and we are now going to go to one of our other cities -- the connection or bridge between the North, Central and South America.

We're now going to talk about human rights, and here I have another Costa Rican young man who is 27, from Florida. Welcome, and your question?

Q Good afternoon, Mr. President. For the first time since the Carter administration the United States has decided to promote human rights in Latin America. Given the fact that in the past the United States has demonstrated its will to intervene, or even invade on behalf of causes such as democracy or to take away from powers of supposed criminals, alleged criminals, what possibilities are there for the United States to do that today for human rights?

THE PRESIDENT: Well, the United States is being very aggressive in the support of human rights. It affects our other policies. It is a part of all of our dialogue with countries where it's an issue.

We are trying to move away from the period when the United States was eager to invade other countries in our hemisphere and our neighbors, toward a spirit of partnership and cooperation, but a cooperation based not simply on common economic interests, but, most importantly, on the shared values of freedom and democracy, of peace and prosperity, of cooperative efforts in environmental protection and education and other things.

So you can't have a relationship like that is human rights is taken out of the equation. And I might say -- you're Costa Rican -- if you look at the experience of Costa Rica, if you look at how wonderfully they have done, part of it is because they have observed basic human rights and did not have institutions within the society that had a vested interest in holding people down and denying their human potential. That's a lesson we all need to learn.

So I wouldn't think that America would want to get into the invasion business. We did participate in a United Nations sanction, restoration of the elected government of Haiti, but only after it became sanctioned by the international community,

where there were serious human rights abuses and where an election had also been interrupted.

But what we can do to have the most influence is just day in and day out, find ways to work together to deal with it -- and hopefully in a multilateral situation. The OAS can do more and we can do more bilaterally, as well. But thank you for your question and for your concern.

MODERATOR: And we're going to go coast to coast, Mr. President. We're going to go back to L.A. now with another question.

MODERATOR: Mr. President, we have here in Los Angeles a person who wants to ask you about free trade. It's from Ricardo Castagno (phonetic.) He is the coordinator for Central American Matters at the William Bilaskis Institute (phonetic) in Los Angeles.

Q Good afternoon, Mr. President. Hispanic congressmen here in the United States are against fast track, as a result of certain lacks in certain NAFTA programs for retraining workers who have lost their jobs as a result of NAFTA and others to create jobs for those same workers. My question is, don't you think that we need to improve NAFTA before we expand it to South America or before we negotiate any other free trade agreement, before we ask for fast track authorization?

THE PRESIDENT: Absolutely not. Let's look at the economic facts here. First of all -- and I would be happy to discuss this, but whether you believe NAFTA was a success or a failure -- and I believe we are far better off economically and in our relations with Mexico than we would have been had we not passed NAFTA. But we are the only developed country in the world with a 2,000-mile border with a country that is still developing. We have unique historically, cultural, economic, environmental and other challenges in our relationship.

Our trade with the Americas has grown enormously in the last few years. It has gone up 200 percent since 1990. It's now over \$109 billion. In the last year alone, 70 percent of America's trade growth has come from the Americas.

So should we do something to trade more with Chile, with Argentina, with Brazil, with other countries? Yes, I believe we should. Should we wait while Europeans and others make agreements that help their workers? No, I don't believe we

should. Are there political benefits as well as economic benefits to our cooperation? Absolutely.

Now, in the case of NAFTA -- let's go back to NAFTA -- we had a couple of rough years with NAFTA because of the peso crisis in Mexico and the recession which followed. But they were not nearly as bad and Mexico bounced back much more quickly than they did when the same thing happened to Mexico in the early '80s and there was no NAFTA, there was no trade.

We have not solved all the environmental problems along the border, but at least we have a financial mechanism and a testing mechanism now and we have shown we have some examples of progress. I think you can rightly say that the North American Development Bank lost two years in the development, in '94 and '95. We've been working since early '96 to get it going. And just recently I reached an agreement with the Hispanic Caucus to dramatically increase the lending capacity of the North American Development Bank to help Americans displaced by NAFTA-related trade.

We've already doubled worker retraining funds. I reached an agreement with the Hispanic Caucus to increase it another \$450 million over the next five years. So I think that we do have to do more to help Americans who are disadvantaged by trade, but that is not an argument against fast track. Fast track is about the future of Latin America and its future economic relations with us. And I think we'd be making a terrible mistake to delay. We should speed up, not delay. The economy down here is on a fast track. I can see it all around me. They're not waiting for us to do this. We just should be a good partner and do it.

MODERATOR: We continue now with the intercontinental dialogue through Univision, where we are getting together almost 500 million people throughout Latin America and our continent. We're going to change subjects now. Here is Fernando Siman (phonetic), a doctor here in Argentina, secretary of the Young Pediatricians Group.

Q Good afternoon.

THE PRESIDENT: Good afternoon.

Q My question has to do with health, and it's this: Access to health care is a basic human right. The United States has many times helped to promote and defend human rights. How

do you think the United States can help us now to be able to gain access for the entire population to health care? And how does this work in the United States, immersed as you are in a free market economic system?

THE PRESIDENT: Well, you know, that's a problem that we haven't fully solved. Hillary and I tried in 1994 to devise a system where everyone who could afford it would pay something according to their ability to pay, for themselves and their employees to buy health insurance so everyone would have access to health care. That plan did not pass.

What have we done instead? We have tried to make it possible for health care to be more affordable. We've tried to protect people's health insurance when they have it so that they don't lose it. And we have a network of public health clinics throughout the United States that people can visit if they do not have access to health care. We just passed a law in our country with \$24 billion to provide health insurance to another 5 million children over the next five years. So we're trying.

But I think that we should -- from my own point of view, we should support programs through the international financial institutions that help you and through AID, the USAID programs that deal with basic health care. Access to health care is, in my view, right up there with education in terms of what it will take to give every single child in this country and on this continent a chance to participate in the future we're building. And I think the United States should continue to have a high priority on health care and health care abroad.

And thank you for being a pediatrician.

MODERATOR: The next question comes from Maria Rosario Valgare (phonetic). She is from the neighboring country of Uruguay, and she is an English teacher, and she has a degree in international relations.

Your question.

Q Good afternoon, Mr. President. I spent some time studying in the United States. Your universities and your schools in the United States are full of foreign students who seem to have understood the need to culturally interact in this era of globalization. Don't you think that more U.S. young people should be going out to the world in order to get to know

it and get to know people and get in touch and not be so unaware of the needs of globalization?

THE PRESIDENT: Yes. Absolutely. You know, one of the reasons I have the attitudes that I have today is that when I was a young man I was given the opportunity to study in another country for two years and travel to other countries. I have strongly supported America maintaining the Fulbright Scholarship program for that reason.

And I believe that we should do all that we can to encourage more students from the United States to take a year or so and study abroad. I'm very glad that we have students from other countries in the U.S. I think there are now 2,000 students from Argentina in the United States. Are there any American students here? Good for you. Well, we have a few hear, beating the odds. But I think it's very important.

Let me also say that there is a marked attitudinal change, though, now. Young Americans, Americans under 30 are far more likely to want to be involved with a foreign culture, to want to study overseas, to understand the importance of trade and political cooperation to their own future -- far more likely. So I wouldn't be surprised if we don't see a big upsurge in the number of young Americans now who want to take at least a year and go overseas to learn about another culture, to master another language, to be a part of the world as it is developing.

But you're absolutely right, we should do more of it.

MODERATOR: Now, Mr. President, we're going to move on to another city where we have many people who speak two languages -- English and Spanish -- Miami. They have a question there for you.

MODERATOR: That's right, here's someone from the University of Miami. She's 18 years old and she's president of the Puerto Rican Students Association.

Q Thank you. Good afternoon to everyone and good afternoon to you, Mr. President. This is my question: If Puerto Rico were accepted as the 51st state, what assurance could you give the Puerto Rican community that we would be able to keep our traditions, our culture, our language and not lose your Puerto Rican identity.

THE PRESIDENT: Well, first, let me state what my position is. My position is that the status of Puerto Rico should be for the Puerto Rican people themselves to decide. Whether a commonwealth, independence or statehood -- it should be totally up to the people of Puerto Rico.

If Puerto Rico were to become a state, among other things, under our laws the educational system of Puerto Rico would be primarily the constitutional responsibility of the state of Puerto Rico, so that to whatever extent the state wanted to have a cultural support for the native culture, the native customs and the native language would be a decision for the state to pursue that the federal government should not try to undermine.

So that's my position. I don't think you'd have to worry about that. There are complicating questions on both sides of that issue. But I think the preservation of the unique and wonderful culture of Puerto Rico would not be a problem probably in either way. But there may be some specific problems I'm unaware of. But I would say that people should make their decisions about commonwealth and statehood probably based on what they think is best economically, rather than that. I believe that we'll be able to preserve the culture no matter what.

As a matter of fact, if you look at what's happening in Miami, what's happening in Los Angeles, what's happening in Chicago, what's happening in the Fairfax County school district across the river from Washington, D.C., where there are people from 180 different national groups in one school district -- we're going to do a lot of cultural preservation in the years ahead.

MODERATOR: We're going to go directly now to Los Angeles.

MODERATOR: Yes, Mr. President, this is the coordinator for the Coalition for Human Rights of Immigrants in Los Angeles. He wants to ask you something.

Q Yes, Mr. President. The new immigration law of 1996 has caused major crisis for immigrant families. In the past you have said that life was not going to be made more difficult for those immigrants who have complied with the law in this country and who are seeking the American Dream. What I'd like to know is what do you plan to do so that the immigration laws are more humane for the people coming from those countries?

THE PRESIDENT: First of all, I think it's important that you look at the changes that we just put into the recently passed budget. As you know, I was bitterly opposed to the immigration law changes made by Congress last year, and I said I would do all I could to reverse the harshest aspects of them. Those laws were largely reversed in their impact in the budget that we just passed.

Now, for people who are there without legal approval, they may be eligible to become legal immigrants and, if so, they should try to get legal status. For some legal immigrants that may still lose some public benefits, our information is that over 70 percent of them are eligible to become citizens. I would urge them to become citizens.

We just had a big report from our Immigration Commission saying that we in the United States government should do more to try to push citizenship and help new citizens to integrate more successfully into our society. So we're going to be looking at that to see if there are some people who have fallen between the cracks, that we can change their status so they won't be put in a perilous circumstance.

But I'm confident that most of the people's problems were taken care of by the recent budget law. The others, I think, we'll have to work hard, particularly moving people into citizenship because most of the people who don't have benefits now because they're legal immigrants and not citizens are older people who aren't in dire health conditions. But almost all of them are eligible to become citizens and I think we have to move them through the system as quickly as we can.

MODERATOR: You wanted to talk to future leaders --here's one of them. He's from Chile, he's 33 and is already president of his own company. It's a technological computer company for Latin America.

Q Mr. President, in the United States seeking MMNA status for Argentina, the armed forces of Argentina, no doubt, would also be given a new status by the U.S. government. Don't you think that a rivalry can be generated between these neighboring countries in the south and also produce democratic instability in the region in an arms race that could be unleashed through this decision?

THE PRESIDENT: No, but let me explain why. It's a fair question. And let me say if someone -- an Argentine might stand

up and ask the following question: Mr. President, don't you think the fact that the United States is now willing to send -- sell sophisticated jets to the Chilean Air Force could cause the same problem you just said. So let me answer both questions, if I might.

We accorded the major non-NATO ally status to Argentina because of the truly extraordinary efforts that have happened just in the 1990s, where Argentina has gone with us to Bosnia, has gone into Haiti, is working the British soldiers in Cyprus, is working in Mozambique. There is hardly a country in the world that has anything approaching the record of the Argentine military in being willing to stand up for the cause of peace.

We believe that we should be sending a signal that this is the policy that other countries should follow. There is nothing here designed to upset the military balance in South America. We want Argentina to be working with Chile, to be working with Brazil. It would be the height of stupidity for these countries to go to war with each other.

Now, why did we decide to say that we might sell aircraft to Chile? Because Chile was interested in our making a bid. We used to have -- essentially, when the continent was governed by military dictators, we said, we're not going to sell them planes because they'll use them to go to war with each other. Now that the continent is governed by stable democracies, I asked myself this question: Is there some reason I should continue to discriminate against Chile and treat them differently than I would France or Germany? And the answer was no.

So what we're trying to do, so that no arms -- so that we don't have a new arms race in Latin America and people don't get scared about this whether -- I mean, Chile may or may not buy American planes, for all I know -- but what we think ought to be done is that all the OAS members ought to say, look, we have militaries, we have to keep them properly equipped, but we're going to share information with each other about what we're buying and why. No more secrets, no surprises, no attempts to gain any advantage over one another. That's the answer there.

So I think that we ought to just be very open and honest with each other about why we're doing these things. And if so, we won't be heightening the military tension.

MODERATOR: Mr. President, as a journalist, before going to the next question, I wanted to say this. Since Argentina is an

ally of the United States, a non-NATO ally, what would happen if, for example, Argentina wanted to seek a diplomatic or military solution to the Malvinas-Falkland Islands? What would the United States do, ally itself with Great Britain or Argentina?

THE PRESIDENT: The United States would say -- we tried that once, it didn't work out so well. And the United States would say, here are two great countries following in every other respect far-sighted policies. Great Britain is enjoying enormous success now in Europe in economic recovery, showing real responsibility in international affairs, trying to deal with the question we must all deal with, which is how do you have a free market and preserve the social contract, treat the poor fairly, grow the middle class. This is not the time to be going to war. These are our friends. They should get together and work this out. That's what the United States would say.

The United States would say, for goodness sakes, don't spoil a good thing. We have two good countries here with two -- with strong leadership. They should get together and work this out. This is not a cause for war; this is a cause for negotiations.

MODERATOR: Let's hear a question from Alberto Hernandez, who is Mexican. He's 25 years old. He works with UNESCO in the young program. He's the first Mexican to be appointed special envoy of Mexico for UNESCO. He has come all this way just to talk to you. This is your turn.

Q Good afternoon, Mr. President. This is my question. We young people are concerned about solving the problems that affect our countries, but the only thing we can do is show up these concerns because we don't have the proper platform for decision-making. I'd like to know, do you have concrete policies designed for young people to become part of strategic decision-making processes? And could this policy be used as a tool for better intercontinental integration?

THE PRESIDENT: To be perfectly honest with you, I'd never thought of it in that way before. It's interesting, in the United States more and more of our school boards, for example, are having a student be a member of the board. More and more of our university boards of trustees are having a student be a member of the board, trying to actually share power with people who are even younger than you, to get young people into this.

I haven't thought of this in the context you mention, but I would urge you and anyone else here who is interested in this, if you have any ideas, write to me about it. I will think about it, and I will see what can be done.

Since you're from Mexico, though, let me make a specific suggestion. I believe President Zedillo did a very brave and good thing in basically genuinely opening up the Mexican political system, knowing that it would cost his own party positions in the Mexican Congress in the short run.

Now you have a much more competitive democracy in Mexico. As a result of that, all these parties are going to be looking around now for young people like you, with ideas and energy and values, people who can command the support of other people. And I think this is a very good time for young people in Mexico to try to make their influence felt in the political system. Because the old -- the PRI, they desperately need now young people to come in and say, no, we have new ideas. We have a future. The other parties that are competing are going to be open. And I think for young people who are of the age to be in politics, not just as elected officials, but, I mean, as activists, there is an unprecedented opportunity in Mexico to affect policy now, because you've just opened up a new chapter in your political history.

On the other question, think about it. If you have any ideas specifically, write to me. I'm intrigued by it. I haven't thought of it before.

Q We'll ask for the address then.

MODERATOR: Mr. President, we've run out of the time we had for questions. Of course, there are so many young people here and in Los Angeles and Miami as well who wanted to take advantage of this opportunity to ask you questions. Others have been able to do that, and they're very grateful. But now, please, you take the floor.

THE PRESIDENT: First, let me thank all of you for coming. Let me thank the people in Los Angeles and Miami. Let me congratulate the people in Miami. Their baseball is going to the World Series, faster than any new team has ever gone before. Let me thank the people of Venezuela and Brazil and Argentina for making us feel so welcome.

And let me say again, I am convinced that the best years in all of human civilization can be ahead of us if we take advantage of the revolutions that are now in play and honestly face our problems together. And if we define the worth of our lives by what we can accomplish by helping each other to make the most of their lives, then I think, you will have a very wonderful time in the 21st century.

Thank you and God bless you. (Applause.)

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THE PRESIDENT: Believe it or not, I lost my interpreter, but I know what we're talking about. (Laughter.)

Here's what I think about the whole bilingual education issue. Every country has a dominant language, and should, and the children in the schools should make every effort -- should learn that dominant language and become proficient in it. I think more and more, our children in America will want to speak at least two languages and perhaps more.

What I'd like to see is a situation where we say, however -- we can't say we're not going to have any bilingual education, because then children would come here not just from Spanish-speaking countries, but from any number of Asian cultures, and not be able to learn in school for two or three years.

And when children come to the United States and they don't speak English, but they're school age, I think they should start school immediately. They should be able to get whatever instruction they have to have in the language that they do speak, but then they should learn to speak English in an appropriate time -- so that we're always encouraging bilingualism or multilingualism. (Applause.)

Thank you.

MODERATOR: Thank you very much, Mr. President.

And thanks to all of you for being here. Thank you very, very much. And thank you, Los Angeles, and thank you, Miami. And to all of you, are thanks once again. Thank you. And we will see you on Univision. Thank you.

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5:00 P.M. (L)