

remarks, he referred to President Menem's daughter, Zulema Maria Menem; Mayor Fernando de la Rúa of Buenos Aires; and former President Raul Alfonsín of Argentina.

Remarks to Business Leaders in Buenos Aires *October 17, 1997*

Thank you very much, ladies and gentlemen. Thank you, President Fedrigotti, President Menem, distinguished members of the Argentine Government, to the members of Congress and Cabinet in our administration who are here. Let me say on behalf of all of them, we are delighted to be here. We have had a wonderful stay in Buenos Aires. And we thank this distinguished group of Argentine and American business leaders for giving all of us the opportunity to join you this morning.

When President Bush came here in 1990, it was a very different time for Argentina. Inflation was soaring, output was plunging, trade was anemic. Today, the country has experienced a truly remarkable turnaround. It is a great credit to the people of Argentina, to wise decisionmakers, and to the direction that President Menem has set. You have cut inflation to almost zero. The expanded trade attracted a flood of foreign investment, spurred impressive growth. You are on the move—good for Argentina, and good for America, for since 1990, our exports to Argentina have more than tripled. In the same period, American investment has soared from \$2 billion to approximately \$12 billion, and it's still growing.

Trade has contributed a quarter of Argentina's growth over the past 3 years. And of course, behind these individual statistics lie many, many success stories that are paying off for people in human as well as economic terms.

To take just one example, General Electric Power Systems has sold state-of-the-art gas turbines and generators that will account for more than 30 percent of Argentina's new power generation capacity. That supports jobs for Argentinean and American workers alike and will provide Argentina with higher quality, lower cost, more environmentally friendly power to keep engines humming, classrooms lit, and the economy growing. It is clearly the kind of win-win situation we see repeated over and over again.

And of course, we see in Argentina a mirror of what is happening around the region today as barriers fall and trade expands and people everywhere gain greater opportunities for new jobs, new skills, and higher incomes. We see it also as a harbinger of what we might build in the future in all of this region for all of the people.

Since 1993, when I took office and established a new economic policy that focused on reducing our deficit, investing in our future, and expanding trade, expanding trade has accounted for one-third of America's strong economic growth. Now I am working to persuade Congress to renew the fast-track authority traditionally given to Presidents so that we can do even more to speed the falling of barriers and the opening of doors.

Latin America's emerging markets are expected to grow more than twice as fast as the economies of the advanced industrial nations. Now, it is clearly in the United States interest to be at the forefront of that for the next generation. But I want to emphasize to all of you that this is, for us, about more than economics. We also want to be genuine partners in seizing all the opportunities and meeting all the challenges of this new age. It's about far more than just trade figures. It's also about political partnerships, the preservation of democracy, the strengthening of the social contract to include all people who aspire to better lives, the ability to fight drugs and crime and terrorism, the ability to build a future that is consistent with the dreams of those who founded all our nations.

Argentina is at the heart of movements bringing our hemisphere together, working with your neighbors through MERCOSUR and your strategic alliance with Brazil to spur democracy, economic reform, and regional security cooperation. MERCOSUR not only expands trade and prosperity, it has also reinforced democracy and promoted peace, as greater independence and

shared hopes for the future make a return to past hostilities unthinkable.

The United States welcomes constructive efforts by others to bring our hemisphere together. Every step taken, whether it's MERCOSUR, NAFTA, CARICOM, the Andean Pact, helps to build momentum toward what I believe should be all our ultimate goal, a free-trade area of the Americas.

President Menem and I reached agreement that we should launch comprehensive negotiations at the Santiago summit in April, moving from a common agenda to a common action plan. This, after all, is the course we all embraced at the Summit of the Americas in Miami in late 1994. We share a vision of a thriving American market of 800 million people from Point Barrow, Alaska, to Patagonia, investing in each other's future, enriching each other's lives, strengthening each other's institutions for freedom and democracy and peace and security.

But even as we work to open markets, we need to make sure that expanding commerce closes, rather than widens, the gaps between the haves and have-nots in our hemisphere. We don't want to leave anyone behind, and it is not in our interests to do so, for in the 21st century, increasingly, the wealth of nations will lie in the minds and hearts of people. We can and must ensure that rising trade means a rising standard of living for all.

How are we to do this? Some, even in countries that have done very well, like ours, believe that we should become more protectionist. But it's not an option. It will only make things worse, for the world economy, whether any government likes it or not, is already on a fast track. None of us can shut the world out or pretend somehow that we can compete in the global economy by closing ourselves off from our neighbors. We are riding a great tide of change, and we can turn it into a powerful tide of progress for all people, provided the benefits and the burdens are shared fairly and the policies are wise and free people to fulfill their own destinies.

That means deepening democracy and the rule of law, including the free press and the independent judiciary that serve our citizens everywhere. The same rule of law that protects human rights upholds the sanctity of contracts and helps to build a stable investment environment. We must also insist on worker protections so that trade enhances working conditions instead of undermines them. We must promote

sustainable development and prove that you can, and indeed must, protect the environment as we grow the economy. And we must equip all our people with the education, the training, and the skills they need to succeed in the 21st century world. We must master the new technology that can bring all people into the future and bring them all into the same world of knowledge, no matter where they live. We can make it so that every book, every map, every work of art is at every child's fingertips with the click of a computer mouse. But first they must have access to computers, and they need to know how to use them.

Just as the Internet is transforming education, it is also expanding the horizons of commerce. Already Argentines can purchase everything from books to computer equipment with the simple stroke of a keyboard. Trade on the Internet is growing so fast that in just a few years it will generate hundreds of billions of dollars in goods and services. It is, indeed, already the fastest growing social organism in all of human history.

If we establish an environment in which electronic commerce can thrive, free from unnecessary governmental regulations or other burdens, then every computer will be a window of opportunity for every business in the world. A global network of sales and distribution will be within reach of even the smallest or most isolated company. You can start a business today and trade around the world tomorrow. That's what the Internet will mean. But in order for the digital economy to flourish, it must be market led. President Menem and I discussed the importance of making sure that this dynamic medium is not weighed down by the heavy hand of government.

We live in a time of extraordinary opportunity. Revolutions in technology, information, and communications bring our people and our nations closer than ever before, opening new possibilities and also giving the organized forces of destruction new opportunities to reap ill-gotten gains through crime and drugs and terrorism.

The promise before us is bright, but it is not inevitable. We must seize the opportunities and we must meet the challenges and we must do it together. We have to focus on the future, not the past; on embracing all, not dividing our people as they have been too often; on building an economy that works for everyone who is willing to work in it. We have to make our common

commitment to peace and freedom, to prosperity and democracy, and we have to make it irreversible.

If we support these policies and this direction, then we can make our entire region an image of what we'd all like to be, a place where freedom and prosperity go hand in hand, a place where everyone feels that he or she has a chance, where every boy or girl believes that they can grow up in dignity to live out their dreams, a place where we work together to fight those terrible threats of crime and terrorism and drugs, a shield against whatever storms the fu-

ture may bring, an alliance to seize whatever new chance the future may hold; a model, in short, for the 21st century world.

That is what I want for the Americas, that is what you are building every day here in Argentina, and that is what I hope together we can build for our children.

Thank you very much.

NOTE: The President spoke at 9:58 a.m. at the Sheraton Buenos Aires. In his remarks, he referred to Carlos Fedrigotti, president, American Chamber of Commerce.

Interview With Argentine Reporters in Buenos Aires October 17, 1997

MERCOSUR Trade and the World View

Q. I will begin with a question about one of the main aspects of your visit to Brazil and Argentina, which was the MERCOSUR question. During several months it appeared that there were controversial views in the U.S. concerning MERCOSUR. Since you strongly backed, both in Brazil and Argentina, MERCOSUR, the question is how you built up your conclusion or your position over the MERCOSUR, and did you consider, eventually, other approaches before taking a final decision, particularly in Brazil the other day?

The President. Well, I think that the impression developed—first of all, let's talk about how the impression developed.

Q. Yes.

The President. I think the impression developed because some people in the Government and in the press in America I think had the impression that MERCOSUR might be used as a vehicle to limit the growth of trade and investment with the United States in ways that would have adverse consequences for our long-term political as well as our economic cooperation. Now, let me say, at the end of the cold war there were Americans who felt that way about the European Union as well. When I became President, there was a group of people, good people, in our Government, permanent civil servants, who had the same feeling about the European Union.

But I have a very different view. I believe that the United States should do whatever it can to promote the political and economic cooperation of democracies, not simply to grow the economy but in a larger sense to lift the conditions of ordinary people and to strengthen democratic institutions so that they cannot be reversed, and finally, because the threats we face today at the end of the cold war are much more likely to be threats that cross national borders, like terrorism, drugs, organized crime, as opposed to threats from other nations. So we all have to adjust our thinking.

What I'm trying to do is to promote a process of reorganization of the world so that human beings are organized in a way that takes advantage of the new opportunities of this era and permits them to beat back the problems. If you start with that presumption, instead of a political organization in South America that doesn't include us is a threat to us, then you come to a very different conclusion. My conclusion is that MERCOSUR has been good for the countries that are members of it because they've torn down barriers among each other. That helps them all economically. At the same time, our trade with all the MERCOSUR nations has increased.

And it permits other things. For example, Brazil and Argentina worked with us to stop the interruption of the democratic process in Paraguay. We now have the problems of potential terrorist activities in the tri-border—the