

## **Remarks to the International Business Community in Jakarta**

*November 16, 1994*

Thank you very much, Secretary Brown, for the introduction and for your tireless work on behalf of American businesses and American workers. Thank you, Mr. McNabb, for your testimonial, and congratulations. I want to come back to northern California and see you after you've doubled your work force. Congressman Mineta, it's great to see you here. Ambassador and Mrs. Barry, distinguished ministers of the Indonesian Government, and the mayor of Jakarta, and all of our fine hosts from Indonesia who have made this such a wonderful visit for me and for the First Lady and the entire American delegation. This is my second trip to Asia as President, and as I was watching Secretary Brown give his remarks, I thought if I keep coming back here I might become as well-known in Asia as Secretary Brown is. *[Laughter]*

I want to thank all of you here from the American private sector who are in the audience for your presence, but more importantly, for your commitment to keep our Nation engaged economically across the world.

Keeping America on the front lines of economic opportunity has been my first priority since I took office. We are pursuing a strategy to promote aggressive growth in the short run and in the long run. We began by putting our house in order. Our deficit was exploding; the public debt in America had quadrupled between 1981 and 1993. Now we're looking at a reduction in the deficit for the third year in a row for the first time since President Truman was President. Federal spending is the lowest it's been in more than a decade. We cut domestic and defense spending last year for the first time in 25 years. And the Federal work force is shrinking to its lowest level since President Kennedy was in office.

The second thing we are doing is working hard to expand trade and investment. That's what NAFTA was all about; that's what the GATT agreement is all about, what the Summit of the Americas, soon to be held in Miami, and obviously this wonderful APEC meeting are all about.

The third thing we're working to do is to develop a system of lifelong learning for our people, from expanding preschool programs like Head Start to providing more affordable college education to our people, to changing the whole unemployment system in America to a continuous retraining system for people who must find new jobs in a rapidly changing global economy.

Lastly, we're trying to change the way our Government works. Secretary Brown talked about it a little bit. There was, I think, a perception among American businesses when we took office that both parties, historically, were wrong in their approach to business, looking to the future, not to the past; that the Democratic Party sometimes tended to see the relationship between business and Government as adversarial, and the Republican Party sometimes seemed to be philosophically committed to being inactive on the theory that anything the Government did with the private sector would probably make things worse.

In a world in which all economics is global, as well as local, clearly the important thing is partnership, efficiency, and good judgment. We have deregulated our banking and interstate trucking industries. We have changed our whole way of purchasing things in the Government. We have invested more in defense conversion and new technologies, in partnerships with the private sectors. We have deregulated our relationships with our own local governments, permitting States to pursue their own reforms in health care and education and, most importantly, in changing our welfare system.

But perhaps over the long run the most significant thing we have done is to reorganize the way we relate to the private sector, requiring all of our departments to work together and to look outward in partnership. The key to making this strategy work is erasing the dividing line between domestic and foreign economics, between, therefore, domestic and foreign policy.

So far, I think, we're off to a pretty good start. Now the figures for the first 22 months are in. We have over 5 million new jobs in our economy. Our industrial capacity is operating at its highest level in 14 years, with our lowest rate of inflation for 29 years. And after

years and years in which we weren't seeing any increased income among our working people, this year we have more high-wage jobs coming into the American economy than in the previous 5 years combined. [Applause] Now, that's worth clapping for.

But the success of this ultimately rests on what our private sector does, on the productivity of our workers, the skill of our management, our continuing commitment to investment, to technologies, to enterprise, and to outreach. That's why we have pursued from the beginning a vigorous export strategy, a strategy rooted in tearing down trade barriers that deny our people the opportunity to compete and in actively promoting the sales of American goods and services in other nations.

We have especially tried to target, thanks in large measure to Secretary Brown, not just our traditional markets but the big emerging markets, the markets of the 21st century, places like China and Indonesia, Mexico and Brazil. In a departure from the behavior of previous administrations of both parties, we have unashamedly been an active partner in helping our business enterprises to win contracts abroad.

I know that many of you in this audience have already benefited from the coordinated and vigorous efforts of the Commerce, State, Treasury Departments, the Export-Import Bank, the Overseas Private Investment Corporation, the Trade and Development Agency. One of the things I most enjoy now when I go abroad is I always try to take a little time to meet with American business people operating in other countries. And repeatedly they tell me that, for the first time ever, they see an American State Department interested in economic advancement as well as diplomatic progress. All these things are important. I have to say to all of you that the most important thing we have to do this year is to go home and get the Congress to pass the GATT agreement.

When the APEC leaders met in Seattle last year for the first time, and President Soeharto came there along with leaders from 14 other countries, one of the things we did at APEC was to let the rest of the world know that we weren't going to sit around while they decided whether we were going to have a

GATT agreement. And so it wasn't very long before we got a GATT agreement. But now that the leaders have agreed on it, the legislative bodies of all these nations must adopt it. And the world is looking to the United States for leadership here, as well they should.

We've had opposition to GATT in our Congress from members of both parties. But we've also had strong bipartisan support. So I say that I am going home to seek to capitalize on that bipartisan support, to ask the Democrats to support GATT, and to invite the new Republican leaders in Congress to ratify one of their great predecessors, Senator Vandenberg's admonition that partisanship should stop at the water's edge. That used to apply to national security defined in military terms. Today, it applies to national security defined in economic terms. We must pass the GATT, and we should do it right away.

For five decades after the Second World War, our presence in Asia was intended to help guarantee security and to allow prosperity to take root. In meetings this week I reaffirmed the United States commitment to strengthen our important bilateral security relationships, to bolster regional alliances in security, and to rapidly implement the very important agreement we have reached with North Korea for that nation to become a non-nuclear nation. All these things will make this region more secure and, therefore, enable more prosperity to take root.

I have tried to make it clear to all the leaders of Asia that the United States will honor its commitments to Asian security. But it's also a fact, and a healthy one, that the balance of our relationship with Asia has tilted more and more toward trade. As a result of the efforts of the Asian people, the Asian economies are clearly the most dynamic and rapidly growing on Earth. Already they account for one-quarter of the world's output. Over the next 5 years the growth rate in Asia is projected to be over 50 percent higher than the growth rate in the mature economies of the G-7 countries.

This means expanding markets to those who have the most attractive products and services. Increasingly, we like to believe those products and services are American.

One-third of our exports already go to Asia, supporting more than 2 million American jobs. Over the next decade, we estimate that if we are vigorous and effective, Asia could add more than 1.8 million jobs to the American economy, jobs that pay on average 13 percent above nonexport-related jobs. That is a very important thing for us, and an important thing for every American to think about. These facts compel us to remain ever more committed to deeper and deeper and deeper economic, political, and security engagement in Asia.

For decades, we concentrated our efforts on Europe and, of course, on Japan. These nations will remain our close allies, our key competitors, our critical trading partners. But this new century we're about to enter compels a new strategy. Indonesia, Thailand, China, India, among others, must be a big part of that strategy.

The importance of Asia to our future is what has animated the intense interest of the United States in the APEC meetings. APEC, for me and for our country, is a long-term commitment. A year ago, as I said, 14 of the APEC leaders met for the first time in the United States in Seattle. We wanted to say to our trading partners and friends in Asia that the United States wants to remain engaged. We want the Pacific Ocean to unite us, not to divide us. We want to see the world growing in an open trading system, not breaking up into various trading blocs opposed to one another. We sought to give this incredibly diverse Asian-Pacific region a common identity rooted in a common purpose, committed to free trade and investment.

This week at the summit, thanks in large measure to the leadership of President Soeharto, we began to transform that vision into a reality. We established concrete goals to reduce barriers to trade and investment throughout this region by a date certain. And we are now committed, next year in our meeting in Osaka, to come up with a practical, day-to-day blueprint for achieving that goal, to simplify customs procedures, harmonize standards, identify other bottlenecks, lower tariff and nontariff barriers.

This commitment to achieve free trade and investment in the Asian-Pacific region

by 2020 may sound like a long time to most people, and in our country, most of our teenagers think tomorrow is a long time away. But the truth is that, number one, it's not so far away, and number two, that is the end date. We will begin reducing barriers to trade and investment as soon as all of the parties to APEC agree on a blueprint and agree to implement it. I am profoundly encouraged by this prospect.

Yesterday I got an interesting question from the American press which I might have gotten from American business people, who say, well—they said, "Mr. President, this is not a mandatory agreement. How do you know it will be carried through?" Good question. I said, "I believe it will happen for two reasons. Number one, it is in the interests of all the countries involved to do it. And number two, I have seen it work in this region." ASEAN, after all, committed to reduce barriers to trade by a date certain, and the commitment was so strong that the leaders reduced the date certain by 5 years. They moved the calendar closer. That can happen here as well. I hope it will. It will be good for all the nations involved if it does.

Our industries and businesses have proved that they can compete in this region and with Asian companies as long as they are allowed to do so in a fair way. We have regained our position throughout the world as the leading seller of semiconductors. This year, for the first time in 15 years, American automobile manufacturers have outsold their Japanese competitors in the world markets. We have done things that I think are very important for the future in the changes we've made to become more competitive in computers and in telecommunications. According to a recent survey that's conducted every year by the world economic forum in Geneva, the United States was voted for the first time in 9 years the world's most competitive economy. That's thanks in no small measure to a lot of you and a lot of American workers back home and some pretty wrenching and difficult and painful changes we had to undertake.

In the 6 months from March to August of this year, our companies won 34 major contracts in Asia, from turbine generators in China to waste incinerator technology in Tai-

wan. These contracts alone will generate \$5.3 billion in U.S. exports, supporting 85,000 jobs back home. And this week alone, as you know, American companies signed contracts in the Philippines, Malaysia, here in Indonesia for everything from fiber optic phone networks to environmentally friendly geothermal plants.

Secretary Brown was just at the signing ceremony. As he said, we had projects worth over \$40 billion. I know that there is increasing wealth in Indonesia and throughout Asia, but where I come from, \$40 billion is still real money, and we're grateful for the business.

Of course, as the American President, the most important thing to me is that these contracts will support jobs, thousands of them, back home from every place from Germantown, Maryland, to Oakland, California; from Evandale, Ohio, to Plantation, Florida.

For all these successes, if we're going to keep going, we have to recognize that there are still some barriers. Let me just cite two examples—and that's why this APEC agreement is so important. By the year 2000, the market for automobiles in Indonesia, Malaysia, Thailand, and the Philippines will be equal to—I believe will exceed—today's market in Canada, in Mexico combined—combined. Now, even after GATT takes effect, tariffs in these nations on U.S. cars are between 30 and 60 percent, as opposed to a 2.5 percent tariff already in existence in the United States. That makes it harder to sell a Ford in Bangkok than it is to sell a Honda in Los Angeles.

Let me give you another example. The Asian APEC countries plan to invest more than \$1 trillion in infrastructure projects over the next 6 years. For those of you here from California who know that our busiest highways are in southern California, that's like rebuilding 15 Santa Monica freeways every single day. Here again, tariffs imposed even after GATT include 25 percent levies on hydraulic turbines, up to 15 percent tolls on steel. These are things that the American companies are eager to take down so that we can take part in the emerging adventure of Asia.

The bottom line is that if we're going to have freer trade, it must be fairer. The APEC

leaders have made their commitment to this goal. It is very, very exciting.

Let me also say that I'm very often asked by our press, and sometimes by the global press as I travel around the world, whether or not our pursuit of economic engagement undermines our commitment to human rights throughout the world. And I have said many times and I will say again, I think it supports our commitment to human rights throughout the world. In every private meeting I have with leaders, not only in this region but around the world, we talk about human rights issues and the other values, the things that make up the quality of life in any nation, things that are important to Americans from all walks of life.

We do not seek to impose our vision of the world on others. Indeed, we continue to struggle with our own inequities and our own shortcomings. We recognize that in a world and in a region of such diverse and disparate cultures, where nations are at different stages of development, no single model for organizing society is possible or even desirable. And we respect the tremendous efforts being made throughout this region to meet the basic needs of people in all these countries.

At the same time, we remain convinced that strengthening the ties of trade among nations can help to break down chains of repression, that as societies become more open economically, they also become more open politically. It becomes in no one's interest to depress the legitimate aspirations and energies, the hopes, the dreams, and the voices of the many people who make up all of our nations. Commerce does tend to open more closed societies. Throughout this region, we will see as markets expand, as information flows, as contacts across borders and among people multiply, the roots of open societies will grow and strengthen and contribute to stability, not instability. More nations will learn that the freer and more educated people are, the more they are able to be creative and to change with the fast-changing winds of the global economy. Japan, Taiwan, and South Korea have all demonstrated this to an admirable degree.

We in the United States also believe, however, that some basic rights are universal, that everywhere people aspire to be treated with

dignity, to give voice to their opinions, to have a say in choosing their leaders. We permit it on a regular basis in the United States, even when we don't like the results. [*Laughter*] And these aspirations are part of human nature. We see it in the stunning life story of President Kim of South Korea or the courageous dissidents like Wei-Jing Sheng in China or Aung San Suu Kyi. We see it in the lives of these people.

Our Nation has sacrificed many of our sons and daughters for the cause of freedom around the world in this century. So we are moved and we will continue to be moved by the struggle for basic rights. But I will say again, even though we will continue to promote human rights with conviction and without apology, we reject the notion that increasing economic ties in trade and partnerships undermine our human rights agenda. We believe they advance together and that they must.

At a time when our Nation is strong, in a time when our inspiration has permeated across the world and people from South Africa to Northern Ireland have asked us to help them in their struggle for democracy and freedom, we cannot turn away from that cause, and we will not. But your work and your progress and your success is also central to that cause.

We live in amazing times. It was only 5 years ago this month that the Berlin Wall fell, an amazing thing. Look at what has happened to the world in the last 5 years. For the first time since the dawn of the nuclear age, no Russian missiles are pointed at the children of the United States. For the first time since the end of World War II, there are no Russian soldiers in Eastern or Central Europe. And even though we have differences with our friends in Russia from time to time, we are working in genuine partnership across a whole range of areas that once would have been unthinkable.

After hundreds of years of fighting, the Catholics and Protestants in Northern Ireland are working hard to resolve their differences. We do see now the prospect that the nuclear threat will fade from the Korean Peninsula. We see a new determination for freedom in the Persian Gulf, which we are proud to support, and the historic, almost

brehtaking, recently unimaginable prospect of peace in the Middle East, the home of the three great monotheistic religions of the world, including Islam, which is followed by the vast majority of the people in this fine country.

This is a remarkable time. And I am convinced that the increasing freedom of economic activity, rooted in your commitment to invest, your commitment to risk, your commitment to think and imagine and visualize what you might do and to mobilize human resources in this cause is an absolutely pivotal part of continuing the march of freedom.

So I ask you as we leave this remarkable meeting to recommit yourselves to fulfilling the human potential of your enterprise and all those whom you touch. For when the history of this era is written, it will be written in those terms. These changes, at bottom, are good because we are permitting, sometimes slowly, often rapidly, more and more and more and more people to fulfill the potential that has lain within them.

Thank you, and bless you all.

NOTE: The President spoke at 3:05 p.m. at the Jakarta Convention Center. In his remarks, he referred to Thomas McNabb, president, Aquatics Unlimited; Ambassador Robert L. Barry and his wife, Peggy; and Gov. Surjadi Soedirja of Jakarta. A tape was not available for verification of the content of these remarks.

### **Proclamation 6757—National Farm-City Week, 1994**

*November 16, 1994*

*By the President of the United States of America*

#### **A Proclamation**

Agricultural industries, from farming itself to the retail selling of farm products, constitute the largest sector of the American economy and account for 16 percent of the U.S. gross domestic product. Our Nation's food and fiber industry has had an immeasurable impact on America's culture, lifestyle, and tradition. As we enjoy the benefits of another rich harvest, it is important that we pay tribute to production agriculture as a central aspect of American life. That is why,