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Interview With Argentine Reporters in Buenos Aires, Argentina

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 countries are now better equipped to do that. So to me this is a positive thing.

Now, having said that, what I had hoped to do on this trip is to convince the leaders, not just the Presidents but the leadership, generally, that it is also in our interest to follow through on the commitment we made at the Summit of the Americas in Miami to work toward a free trade area of the Americas, and to see MERCOSUR, NAFTA, Andean Pact, CARICOM as building blocks in this. This is very important, because if the rest of the world should happen not to agree with us philosophically, then having a big trade area will be a great insurance policy for all these countries. And if we can prove that you can merge integrated economies and integrated democracies, then we'll be more likely to build a global system of this kind.

So that's a long answer, but anyway it's important that you understand that this MERCOSUR issue for me is part of a very big world view. I just never felt as threatened by it as a lot of people who saw it in terms of this particular negotiation over this tariff or this custom or that sort of thing.

Social Inequity

Q. Mr. President, in this era of free market in the region, the problem of social inequity is a great deal for our countries and also for the strength of our democracy. I would like to have your views about that.

The President. First of all, I think it's important to point out that this problem of social inequity is a problem that every country in the world is facing, even countries with very robust growth. No country has solved the problem perfectly of how to grow the economy and preserve more equality and at the same time move more poor people into the middle class.

Let me just give you a couple of examples. Look at France, which has a very strong social contract but pays for it with very high unemployment. Great Britain has opted for a policy more like ours, where they're generating lots of jobs now—their unemployment rate is 6.5 percent, only about a point and a half higher——

Q. Five-point-nine yesterday.

The President. ——5.9 yesterday, so it's only a point higher than ours. And they're open to immigrants now, as the United States is. But as a result of that, because the modern economy favors technology and education, they've had increasing inequality there, just as we have.

I think it's important to point out that most of this is due to the structural changes in all advanced economies driven by technology. Trade is a part of it, but mostly it's the changing of the paradigm, if you will, away from the industrial society to the information age. And I believe the answer is to have the Government have less destructive involvement in the economy, but the Government should have more constructive involvement in the society.

Basically, you have to do, I think, three things. You have to, first of all, have a system of lifetime education and training so that everybody can participate. Secondly, you have to have a strategy to bring the benefits of free markets to the places that are untouched. Technology can help. Investment can help. I think that is very important. And thirdly, you have to have adequate protections for people who, through no fault of their own, are not participating. This is easy to say and difficult to do, because if it costs too much to do this you will weigh down the economy. But essentially that is what must be done.

So the challenge in Argentina, the challenge in Brazil, the challenge in Latin America is, in a different way, the challenge that we in America face—in the United States—and that the Europeans are trying to do—even the Japanese now are having to deal with it. So this is the new social challenge of the 21st century. The answer is not to withdraw from the trade or to pretend that the technology doesn't exist, the answer is to get all the benefits.

Argentina for example—I will make you a prediction here. If you can maintain these levels of growth that you have now, your unemployment will go down, but it will not go as low as you want unless you have real systems to create more small businesses, to hook small business into technology and exports, and to create much more universally effective education systems. But that's no criticism of the last 7 years; you had to fix all the problems of the past before you can confront the challenges of the present.

Integrity in Government

Q. Mr. President, to follow up what you just said, corruption makes inequality even worse. You said that the applying of the term ''endemic corruption'' to Brazil has been a mistake. What's the precise meaning of widespread corruption that had been implied in the same document to the Argentine situation?

The President. Well, first of all, I wasn't even familiar with this document. I didn't know it was issued. I don't know who wrote it.

But let me back up and say when you are in a period where the Government has had heavy-handed involvement in the economy and then things start to change and arrange-

ments are unsettled, that's a point where, in general, civil societies are vulnerable to corruption. Also, human nature being what it is, there will nearly always be someone somewhere who is doing something wrong.

So what you want, however, is a system where the incentives are to be honest; where there are disincentives—sanctions—for being dishonest; and where you're moving in the right direction. I told President Menem—we had a talk about this last night—I was complimenting President Caldera of Venezuela because he took the lead in making sure that our hemisphere—we have, basically, the only convention against corruption of any hemisphere in the world.

And I said to President Menem, and I said to the young people at the townhall meeting yesterday, what my experience is, just from my life in politics. And that is that if a civil society can maintain a vigorous, free press, an economy that works, and you can just preserve democracy, time takes care of a lot of this. That is, I believe that 20 years from now, an American President will be sitting here, and either you will be sitting here or your successors will be, and I will predict to you that if democracy survives in Argentina, which I believe it will, there will be less corruption, but you could still ask a question about corruption. Do you see what I mean? You could still ask.

So what my advice would be here, because this country has come so far so fast, moving away from some of its darkest moments not very long ago and also moving away from the heavy-handed control of the state over the economy, that the focus should be on maintaining a vigorous and safe free press, making sure that the economy operates according to internationally accepted norms, and preserving democracy.

I had a great talk not very long ago with Senator Dole, who was my opponent in the last election. We have quite an interesting and good relationship, I think, and he was in Congress for 35 years. So I said to him, "Bob"—the Washington press was full of something at the moment, I can't even remember what it was—I said, "Bob, is Washington more honest today, or less, than 30 years ago?" He said, "It's not close. They're much more honest."

Q. Much more honest?

The President. Much more. And the same thing is true everywhere. In other words, barring some unforeseeable development, it always gets better if you can keep the press free and vigilant and if you can keep the economy operating with some integrity. And just the passage of time strengthens the presumption of democracy and freedom and accountability. So it will get better here if that can happen—everywhere.

Education in Brazil and Venezuela

Q. Mr. President, in your trip here and in Brazil and Venezuela, was there anything that was striking or that surprised you, that changed your idea of these countries or what American policy should be towards them? I mean, what did you learn on this trip?

The President. Well, first of all, I would say that I feel that the potential for both growth and greatness in these societies is even greater than I had imagined. I think that the potential for America to have a constructive partnership and actually help deal with some of these challenges that countries face—and they're different in all three countries—is even greater than I had imagined, as long as it's clear that we are dealing in an atmosphere of mutual respect and equality.

And I think that the potential for solving at least some of the worst social problems is greater than I had imagined. That is, when I was in Brazil I went to a school in a very poor neighborhood in Rio, where the children came out of circumstances that were very difficult, and they were doing quite well. And it seems to me that one of the obligations that the United States has through our business community here is to do more throughout Latin America to give that kind of educational experience to children. If I could do one thing in sort of a crash way, it would be to try to revolutionize the quality and reach of education for all the children of the region.

Freedom of the Press in Argentina

Q. You spoke about the freedom of the press. You might be aware that in Argentina

there's a coexistence between freedom of the press and then serious threats and actions against the press.

The President. I'm very aware of that.

Q. For example, the assassination of Jose Luis Cabeza, a photojournalist. This morning the papers inform, quite, I hate to say, unprecisely about some initiative you probably told the government about supporting the press in an international, American, Pan American——

The President. Again, on this issue, I can't comment on the specifics of, because I don't know. I'm aware that the photographer was killed, and I know a lot of your reporters have been threatened and that the problem from your point of view must be the question of whether this can be stopped in specific cases.

But what I said to President Menem yesterday was that, again, this is something that—Argentina is building a civil society, and it has to be built brick by brick. And the fact that the press is free is a good thing. The fact that some people feel free to at least threaten and perhaps harm members of the press is a bad thing. So to get beyond that you have to build even more bricks in the house of civil society.

What I suggested was that the OSCE, the Organization on Security and Cooperation in Europe, actually has a press ombudsman, which has become quite important because we have all these countries converting from communism to free societies—again, coming to grips with this from a different background, but it's the same sort of issue. And most of our people who deal with it think this has been quite a good thing. So I suggested that perhaps he and other leaders here might support an initiative to do the same thing within the OAS, so that we could help every country where this is an issue, through an ombudsman who could say, not only this particular case has to be dealt with, but here are institutional changes that could be made in this, that, or the other country, that would make it better. That was my precise suggestion.

Q. But that ombudsman, what kind of questions would it deal with?

The President. Well, it would deal with whatever questions the OAS was willing to refer to it. But I think the idea would be to be able to take specific cases and build a system where those kinds of cases didn't come forward. Of course, the individual case would still have to be handled through the justice system, but the point is maybe a press ombudsman would say, ''Look, here's the sort of judicial system every country in OAS should have,'' or, ''Here's the kind of judicial training center we ought to have.'' That's another one of our proposals, battling around the OAS—to set up a common judicial training center so that every country could send their judges there, and we could have generally accepted systems which would help to build a civil society.

Attacks on Buenos Aires Jewish Community

Q. Mr. President, are you aware or were you requested any kind of classified information from the FBI or the CIA by the Jewish organization that interviewed you yesterday regarding the attack at the Embassy and the AMIA?

The President. Well, the press report on that was a little bit misleading today—I don't think on purpose. But let me explain what I said.

Q. That's why I was questioning.

The President. Yes, I'm glad you asked. What I said was that the judge with oversight on the case had already talked to both the FBI and the CIA. The families of the victims and their advocates believe that perhaps there are some people in our Government or some people who've been involved in this who have some information that has not been turned over. What I said was that I would go back to our sources, our people, and see if we could get any more information; I would do everything I could.

I think there was a little misunderstanding, perhaps in the translation, when I simply pointed out that when we operate in other countries we sometimes talk to people who deserve the right to be protected, and we have general rules that we follow—not in Argentina, everywhere in the world—to try to make sure that we never put anyone at risk who is helping us. But we're going to see if we have information we have not turned over that we can give to the appropriate authorities so we can go forward with this.

This would be a very good thing, not only for the families of the victims but for Argentina, if we could actually resolve the cases of the bombing of the Embassy and the community center.

Argentina-U.S. Relations

Q. Argentina and U.S. relations were not always like today. What really changed according to you, and when you first perceived that such a change was underway?

The President. Well, I think in the nearest term what has changed is that Argentina moved away from military governments that oppress and kill its people toward not only a democracy but a democracy under President Menem that has genuinely reached out to the rest of the world and tried to open not only the economy but the society. Even the debates you are having about the government here are evidence of that. So I think that's the first and most important thing.

Then I think the United States—I would hope that this is true; it's self-serving for me to say this, but I hope it's true—the United States—since I've been President, we have had a genuine interest in establishing a new kind of partnership with Latin America. President Roosevelt wanted to do it. He wanted to be a good neighbor, but the cold war intervened. He died. The cold war intervened. Things happened. President Kennedy wanted to do it. He wanted an Alliance for Progress. But there were difficulties which made it impossible to have a continuing effort. And then some of our Presidents just simply disagreed. They saw every development in Latin America as a manifestation of what was happening in the cold war between the United States and the Soviet Union.

I saw, as the first President who would govern completely at the end of the cold war, an opportunity essentially to go back to the vision of Bolivar. And we are becoming more alike, not only because of the globalization of our economy and the universality of our communications but because Spanish-speaking Americans are our fastest growing group and because we share now these values of democracy and peace and security.

So I think all these things have played a role. I hope that I have played a role. I was the first President, I believe, to appoint an envoy to all of the Americas—Mack McLarty, my former Chief of Staff. I don't think any President has ever done anything like that before. So I have a person that is very close to me actually in the region all the time, knowing the leaders, knowing the people working with this.

But I think none of it would have been possible if first you hadn't had the changes in Argentina. Because if we are totally at odds with a country over its human rights policy, over its political policy, over whether it's open to the United States in a genuine partnership, then even our ability to lay down the mistakes we've made in the past as a country would not have made it possible. So the two things happened together.

NOTE: The interview began at 11:05 a.m. at the Sheraton Hotel. In his remarks, the President referred to President Carlos Menem of Argentina and President Rafael Caldera of Venezuela. A tape was not available for verification of the content of this interview. This item was not received in time for publication in the appropriate issue.

Statement on the Japan-United States Trade Agreement on Access to Japanese Ports

October 17, 1997

I am pleased that our negotiators have reached an agreement in principle that will open trade in Japan's ports and level the playing field for American shippers. We have long pressed Japan for a firm commitment to liberalize trade in its ports, and today they have done just that. Japan has agreed to provide an expedited licensing process for American ships entering its ports and to support an alternative to the port services provided by the Japanese Harbor Transportation Authority. Those provisions, after the details are worked out, will allow America's shippers to compete and win in the global marketplace. I want to congratulate our negotiators for all of their hard work on behalf of America's businesses and workers.

NOTE: This item was not received in time for publication in the appropriate issue.