

In that spirit, the leaders support the adoption of regional transparency measures for conventional arms purchases.

Recognizing the importance of the Organization of American States, which will celebrate its 50th anniversary this month, and in order to make its modernization a reality, the Presidents instructed their Foreign Ministers to consult with their colleagues in the Hemisphere to establish effective means through which the OAS could be revitalized, with due regard to its relations with other hemispheric institutions, and to agree on a timetable for the review and reform to be completed.

The Presidents also reviewed the situations in Iraq, the Middle East and Bosnia, where Chile and the United States are participating with peacekeeping forces under the mandate of the United Nations, and they agreed to maintain such important joint efforts on behalf of international peace.

In their capacity as Guarantors of the Rio Protocol, the Presidents reviewed recent progress achieved by the Governments of Ecuador and Peru and continue to urge both parties to settle their dispute by the May 30 target date agreed to by both parties.

The Presidents agreed to continue negotiations to reach a prompt agreement on cooperation that will provide for coordination of efforts of both countries to take more effective and timely action against illicit traffic of narcotic drugs and psychotropic substances and their related crimes, as well as to prevent the abuse of those substances. All this, with the aim of reaching full implementation of the principles and policies contained in the Hemispheric Strategy adopted in the framework of the Interamerican Commission for Drug Abuse Control.

They also look forward to the early completion of a customs mutual assistance agreement to advance cooperation against fraud.

To facilitate and further advance our close ties, the Presidents agreed to establish a Bilateral Consultative Mechanism at the Foreign Ministry level, and to advance its operations through the appropriate diplomatic channels.

**William Jefferson Clinton**  
President of the  
United States of America

**Eduardo Frei Ruiz-Tagle**  
President of the  
Republic of Chile

NOTE: This joint statement was made available by the Office of the Press Secretary but was not issued as a White House press release. An original was not available for verification of the content of this joint statement.

## **Remarks to Business and Community Leaders in Santiago**

*April 16, 1998*

Thank you very much, Mr. President, Mr. Fernandez, Mr. Riesco, Mr. Mayor, ladies and gentlemen. First, let me thank President Frei for the warm welcome that Hillary and I and our entire delegation feel with our trip to Chile. I have looked forward to it for a long time.

To those of you who wonder about the commitment of the United States to this relationship, I would just note that in the audience here I am joined by the Secretary of State, the Secretary of Commerce, National Security Adviser, our Trade Representative, our National Drug Control Policy Director, my Special Envoy to the Americas, the Director of the Small Business Administration, the Director of OPIC, and five distinguished Members of the United States Congress—Congressmen Hamilton, Hinojosa, Rodriguez, Levin, and Portman.

We are glad to be here, and together we hope we will be able to persuade you by our presence, if not by my words, of the importance that we attach to our growing relationship with Chile.

I'm told that when this city was founded in 1541, it was called Santiago del Nuevo Extremo—Santiago of the New Frontier. On the verge of the 21st century, Santiago is again on that new frontier. It is a window through which we can see over tomorrow's horizon to a future of freedom and broadly-shared prosperity.

You are helping to build that future. The Summit of the Americas that President Frei will host this weekend is helping to build that future. Never before have the Americas been so united in values, interests, and goals. We have to keep that in mind as there are bumps along the way or inevitable differences as all human beings will have.

Chile and the United States are working hard to seize the promise of our shared values and interests and visions. The President has already outlined all the things we have agreed to do together today. No one can fail to be impressed by the economic performance of this great nation. Sound, consistent policies have produced high growth, low inflation, more savings, less poverty. Chile stands at the vanguard now of a new revolution of freedom and enterprise that is indeed embracing all of Latin America. Last year Latin America and the Caribbean combined had an average growth rate of more than 5 percent, with the lowest inflation rate in 50 years.

There has been an explosive increase in commerce within our neighborhood, and more than goods are flowing across our borders. Between 1991 and 1996, the number of minutes for telephone calls from the United States to South America tripled. In that same period, the number of planes that left Miami for Central and South America increased by over 50 percent. More and more young people from our countries are studying in each other's schools and colleges, enriching their lives and our cultures. Thanks to the new spirit of openness, capital flows across our borders are absolutely massive.

I remember it was just a month after our first Summit of the Americas in Miami in 1994 that the Mexican peso crisis struck. It shook the entire region. I'm sure some of you have a vague memory of it. *[Laughter]* But instead of closing their doors, Mexico, and indeed, all of Latin America, deepened their reforms. Now Mexico is back and is our country's second largest export market.

In general, Latin America has grown so strong that I think even a lot of you are probably surprised that this region has weathered the shock of the Asian financial crisis as well as the region has. It is a great tribute to those of you who have worked for and fought for and lived by smart, sensible, disciplined policies over the last several years.

Now, of course, we know that there is more to do. Just last December our Finance Ministers committed here in Santiago to tighten bank supervision, fight money laundering, and to provide new credit to the smallest entrepreneurs—the kind of people

that President Frei just mentioned, that we met with a few moments ago in San Miguel. But every outside observer knows that Latin America has found its voice, its confidence, and its well-earned seat at the international table. The United States is delighted by the success of Chile, and indeed all our neighbors. Our futures are joined like a cord that gains its strength from the many threads that are tightly intertwined.

Today, more than 40 percent of America's exports go to our hemispheric neighbors. Our exports in this region are growing more than twice as fast as anywhere else in the world. With three of our four top energy suppliers in the Americas, we can literally say that this hemisphere fuels our growth. Your prosperity lifts ours, just as a healthy United States economy helps you. The better you do, the better off we will be in our increasingly interdependent world.

The United States, therefore, will continue to work for more cooperation and more integration. At our summit this weekend, we'll take the next step toward open trade in the hemisphere by launching comprehensive negotiations for the free trade area of the Americas, as we committed to do 4 years ago in Miami. All of you know, as the previous speakers have said, it will create opportunities for producers throughout the Americas; it will create new jobs and higher living standards for our workers; it will create better buys for 800 million consumers; it will help to lock in market reforms and democratic triumphs throughout the hemisphere.

And let me also say that it won't be the first time that the United States has launched its own involvement in negotiations of this kind without fast-track authority. Before they're done, we'll have it and it will work.

Let me also say, I am especially pleased that for the very first time we are creating a special committee to expand the role of environmental and labor groups in our trade deliberations. Those who want to protect and enhance the role of working people in the global economy, and those who remind us that we dare not sacrifice our children's planet for present profits should be heard. Their voices and their concerns should shape, but cannot reverse, our emerging partnership.

We can grow the economy and not only preserve but indeed improve the environment. We can have prosperity and indeed enjoy more of it if we assure that it is broadly shared.

The benefits for America's workers and companies and consumers for expanding trade should make, in my judgment, a clear case for fast-track authority. I thank you for the support you have given it. I will continue to work hard with Congress to build support for fast-track. But let me say something to you that I am convinced of. There is not a majority in either House of the United States Congress for a return to misguided protectionism. What there is in the United States and in our Congress is what you have in every country in Latin America—there is a continuing and vibrant debate about how we're going to grow in the global economy in a way that gives everybody a chance to be a part of that growth, and in a way that recognizes values that may not be built in to today's market systems, like environmental preservation. And what I am doing my best to do is to persuade our Congress that walking away from what I believe to be a colossal opportunity with Chile and with the rest of our partners in Latin America is neither the best way to lift labor standards or to preserve the environment. But the debate is worth having.

So be patient with us. You may decide to have the debate yourselves before it's over in some other forum which may prevent some decision from being made as quickly as you would like.

Winston Churchill once said that democracy was absolutely the worst system of government except for all the others. [*Laughter*] He also once said in a moment of frustration with our country that the United States invariably does the right thing, after having exhausted every other alternative. [*Laughter*] So just stay with us; we'll get there.

But we must recognize, let me say again, that the combined force of globalization and technology have given us all economies in which a rising tide does not necessarily lift all boats. People without the right education, without training, without skills, without bargaining power can be stranded on yesterday's shore. And remember, some Latin democ-

racies have not been that way all that long, and we cannot afford to have conditions in which ordinary people—the kind of people the President and I met with today—lose faith in the ability of this system, not only to produce wealth in the aggregate but to actually change their lives and to give their children better lives than they've had—if they work.

So that—we have to continue to see the enhancement and broadening of democracy and free enterprise together. As we encourage more business contracts, we must also strengthen the social contract. For every citizen must believe that he or she can have a place in the future we are building together. Of course, the only place to start in such an endeavor is with our children and their education. It is the best path out of poverty, and it is very good for business' future.

In order to do that, I might also add, we have to give every child a chance to go to school by making sure they're not in the workplace illegally. The United States is working with Central America to launch a new initiative to combat child labor while helping parents to find good jobs. Earlier this year, I asked our Congress for a tenfold increase in our investment to combat child labor abuses worldwide. I hope our neighbors will join us in that fight. Again, no one has a long-term interest in taking children who ought to be in school and putting them in the workplace. And over the long-run, that will diminish a nation's wealth, productivity, and strength.

We must do more to deepen democracy's roots with a free press, an honest, efficient judiciary, strong protections for existing laws on working standards. We have to work harder to reduce the gap between rich and poor, which has been widening in most industrialized and industrializing countries in recent years. We must continue the fight together against corruption, drugs, and crime. They erode the fabric of all our societies. And we must do more together to protect our environment.

Harnessing the forces of globalization to work for all our citizens is literally a challenge for every nation in the world. I just got back from a long trip to Africa, and I saw the same thing in every country. It will be a major

focus of the Summit of the Americas, thanks to the leadership of President Frei. It will be at the top of the agenda when the G-8 countries meet in Birmingham next month, because everybody knows we have to figure out how to do this. Those of you in business can help us lead the way.

In the meeting that the President and I mentioned to you with small entrepreneurs and people who had gotten an education and worked their way out of poverty, a few moments ago, they didn't talk to us about the intricacies of trade, but they did understand education, child care, jobs, and access to credit. They will trust us in our respective countries to make these big structural decisions, and to make them right, as long as they feel that somebody is making some decisions that give them a chance to make their future along with ours. Working families in that sense, from Santiago to San Diego, may not be all that much different.

I want our nations to work together. And let me say, I have been profoundly impressed by President Frei's commitment to improve and expand access to education. Chile has doubled its social spending since 1990, largely for education, more classrooms, longer school days, better access for disadvantaged children. Our agreement on education is quite substantive. We've agreed to exchange more students and teachers, to develop higher standards of learning and teacher training, to work to bring technology into every classroom. And I can tell you, again, on every continent where I have been where education is a crying issue, and many children in small rural areas have no access to it, I see how we can skip a generation of development, painful development in education, if we make the most of today's technology.

No country can do it without the active, aggressive partnership of the business community in every country, and I hope you will help President Frei in that regard. You can revolutionize the future of Chile's children if you do.

Let me just make one other substantive point. I have had great conversations with the President about what I believe is the imperative for all nations to work together on the problem of climate change. In many developing economies, there is a reluctance to

participate in trying to meet the goals announced at Kyoto in Japan last year, because many people believe that poor countries cannot become rich countries without emitting more greenhouse gases and, therefore, that any attempt by the developed countries like the United States, who are already big offenders in the greenhouse gases we emit, must be some dark conspiracy to hold others down.

In the first place, that's bad economics, because the United States should want all of our trading partners to get wealthier. That is what is in our interest. No one is interested in that. But I can tell you this—I said before when the President and I had our press conference—for 30 years, every time we have sought to improve the environment in America, someone has stood up and said, "If you take this step to clean the air, to clean the water, to improve the health of the food supply, you will cost jobs and hurt the economy." And for 30 years, every single step we have taken to improve the environment has helped the American economy.

We can reduce greenhouse gas emissions worldwide and grow the economy, and we need to do it in the most comprehensive way possible. I respect very much the President's leadership on that, but I will make you a prediction that those of us—our successors, whoever will be sitting here 15 years from now at a speech like this, representing your group, will be overwhelming concerned with the condition of the global environment and what it does or does not do for their ability to make a good living. So I hope we will deal with this now when it will be less painful, instead of waiting until later when it will be much more costly.

Through bold commitments like the FTAA negotiations, to improve education, to work on strengthening our justice system, and freedom of expression, our new hemispheric alliance against drugs, more work to alleviate poverty, the Santiago summit that President Frei is chairing is going to make a difference to the future of the Americas. We will leave the summit with a clear message to the world that Miami was not a one-shot effort, that we are broadening our cooperation, but that we intend to move forward with more determination across a broader range.

I know that all of you will support that. What I ask you to do is to do all you can to make sure that everyone with whom you work and anyone with whom you have contact back in the United States understands what we're doing and why.

In 1811, as Chile struggled for its independence, it chose to dedicate its national flag on July 4, which is our Independence Day, at a celebration held by United States citizens in Santiago, long, long ago. On that day, the American flag and the new Chilean banner were raised together in many public places, entwined with one another. At last, our partnership can fulfill the potential of those two entwined flags, for our goals and our dreams are clearly intertwined. We can make them real for tomorrow's generation; we can make the Americas a model of hope and unity for the world. We can do it if we follow the lead that I have seen set by this great President and this great nation. And we're glad to be here.

Thank you very much.

NOTE: The President spoke at 3:50 p.m. in the Teatro Municipal. In his remarks, he referred to Alex Fernandez, president, Chilean-American Chamber of Commerce; Walter Riesco, president, Confederation of Production and Commerce; and Mayor Jaime Ravinet of Santiago.

### Exchange With Reporters in Santiago

April 16, 1998

#### President's Visit to Chile

**Q.** Do you like Chile?

**The President.** Very much.

**Q.** Did you eat something special inside? Did you eat something special?

**The President.** No, no. I just had lunch, so I just had a Coke. And I was visiting with the people. It was very nice.

**Q.** Are you tired from all this week, these 2 days here in our country? Are you tired?

**The President.** Tired?

**Q.** Yes.

**The President.** A little, but I'm going to go back and get a little nap, and then I'll be fine tonight.

### Independent Counsel's Investigation

**Q.** [*Inaudible*—Kenneth Starr's going to keep investigating you, and Paula Jones says she's going to appeal—

**The President.** [*Inaudible*—I've had a great time.

**Q.** What do you think about Paula Jones appealing, Mr. President? Are you disappointed that she's appealing?

**The President.** Oh, I don't have an opinion about it. You know, I don't have any comment about it. My comment is, I spent my day today with people who are interested in human problems and human promise and not so interested in politics. And I don't think I ought to be commenting on politics while I'm here. I feel good about what happened before, and I feel good about where we are, and mostly I feel good about the job I'm doing here for the American people in Chile. And that's what I'm interested in. I don't really have any comment on anything that they do.

**Q.** Will things dragging on hamper that, sir?

**The President.** No. No. I'm going to—you know, I'm going to do my job. And I'm not—it's an unusual political environment, but I'm just not going to let the politics get into my way. I haven't done it for 4 years; I'm not going to start now.

**Q.** Do you think Ken Starr should wrap things up?

**The President.** I don't have any comment on that, either. I just don't—I shouldn't be commenting on domestic politics while I'm overseas. I'm here doing my job, and I'm thrilled by the people I've met and what I've seen, the reception I've received on behalf of the United States. And we're here to do important work, and that's what I'm going to do.

NOTE: The exchange began at 4:22 p.m. outside the Teatro Municipal. A tape was not available for verification of the content of this exchange.

### Statement on Tornado Damage in Arkansas and Tennessee

April 16, 1998

I was deeply saddened to learn this morning of the tragic deaths of two small children