

Secretary of Commerce Carlos M. Gutierrez
Remarks to the Annual Chilean Dinner
Arlington, Virginia

Thank you, Ambassador Fernandez for the kind words and the special invitation to join you this evening.

The growing relationship between Chile and the United States is a reminder of the benefits of trade and the need to strengthen the ties that bind our nations together. This is particularly important to remember as we face this global economic crisis.

President Bush has called together leaders of the G20 countries who will come to Washington on Saturday. They will:

- Discuss the effects of the crisis on emerging economies and developing nations;
- Review progress on addressing the current crisis; and
- Address the causes of the problems and agree on a common set of principles to reform the world's financial sectors.

Here in the United States we've taken decisive action to bring stability to the credit and financial markets. These steps are temporary, but necessary. They are limited in scope and designed in such a way that they will protect taxpayers. While it will take time to restore confidence in the markets, in the end, we believe that both our economy and global markets will be stronger as a result.

Chile is well positioned to weather the crisis with:

- A strong record of fiscal discipline;
- Low foreign debt;
- Sizable reserves; and
- A strong entrepreneurial culture.

Indeed, Chile's entrepreneurial character, combined with freedom and democracy, has made it one of the most dynamic economies in the world.

Chile's diverse economy and its relationships with key trading and investment partners are another factor that will keep Chile growing. This includes a free trade agreement with the United States, Chile's largest trading partner.

Today, more than 12,000 American companies export to Chile, and our overall trading relationship has gone from \$6.4 billion in 2003, to more than \$17 billion last year.

One reason for this trend is the world class products the workers and businesses in our two countries produce.

For Chile that includes exports of copper, fresh fruit, wood products, wine, poultry and salmon. And our companies export more than 5,000 different products to Chile including mining, agricultural and construction equipment.

Increasingly, our trade includes innovative technology-rich products and services. We are working actively with our counterparts in Chile to measure the impact of services in our countries. And it's critical we do more together to encourage the development and protection of our intellectual property.

Innovation, entrepreneurship, freedom and democracy are all fundamental Chilean values. I was pleased to be able to hand off next year's Americas Competitiveness Forum to Chile earlier this year.

For the past two years, the Commerce Department hosted the forum in Atlanta. Next September, ACF will meet in Santiago, and I know Chile will be an excellent host.

The one step we can take in Washington right now to increase the competitiveness of our hemisphere would be passage of the free trade agreement with Colombia. If anyone doubts the ability of free trade to promote openness and free markets, and to strengthen our relationship with key allies, they need only look at Chile.

Few countries understand the benefits of lowering trade barriers better than Chile. While Chile has trade agreements with 57 countries, including Colombia, the U.S.

continues to struggle to get Congress to even bring the U.S.-Colombia agreement up for a vote.

Like Chile, Colombia is a friend and an ally in our hemisphere. In just a decade it has become increasingly free, prosperous and democratic. Colombia's success is good for all those who value freedom, social justice and stability.

While the economic argument for this agreement is strong, it is about more than just trade. It's about increasing security, strengthening our foreign policy, spreading social justice and supporting those who are actively fighting terrorism.

Now is an opportunity to show our commitment to support an ally in our hemisphere. I believe that if Congressional leaders allow this agreement to come to a vote next week it will be approved.

President Michelle Bachelet has written to the speaker to express her support for this agreement, and President Bachelet's leadership is appreciated.

The bottom line is this agreement sends a strong signal about America's place in the world.

This would be the worst time for us to withdraw and retreat. Our leadership and engagement are needed more than ever. And it is our openness which is the source of our strength.

Additionally, exports continue to be an economic bright spot. So far this year, exports have averaged 13.4 percent of America's GDP, a larger portion of our economy than anytime in history.

Thank you for your friendship, for your example to others, and for the opportunity to be with you this evening. It has been a pleasure to contribute to strengthen relations with Chile.

Chile is a great country. We are proud of our friendship and committed to our future. Thank you.