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REMARKS TO AMERICAS BUSINESS FORUM
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Thank you for that kind introduction. I'm glad to see some of the friends I remember from Argentina, two years ago, and I'm proud to be speaking to you again, here in Miami.

The great economic lesson of the Twentieth Century is that free trade and open markets are the most powerful force to spread opportunity and raise living standards in both advanced and developing economies.

The Free Trade Area of the Americas will be one of the boldest steps yet toward that noble goal.

President Bush believes that free trade offers hope, opportunity, and expanded freedom to people in the grip of poverty. And I want to thank you for your commitment to expanding freedom and prosperity through trade.

As you may have noticed, we FTAA supporters aren't alone in Miami. Opponents of the Free Trade Area of the Americas are here as well.

In the United States, our trust in democracy ensures a tolerance for strongly held points of view.

We may not always agree, but we celebrate the freedom to be heard. There is also a long tradition of principled, non-violent debate over free trade.

Almost 100 years ago, Winston Churchill quit the Conservative Party and walked across the aisle to join the Liberal Party in the British Parliament.

Churchill the free trader felt betrayed after his own party leadership fell for the false promises of protectionism.

Churchill knew that England's national interest was bound to the common destiny of free nations and open markets.

Far from being a zero sum game as some claimed, Churchill saw the policy of open trade and fair competition as the true pathway to greater opportunity, stronger societies, added security, and growing friendships around the world.

SIREN SONG OF PROTECTIONISM

Unfortunately, the misguided and misleading -- but seductive -- arguments of the protectionists are still at work, eroding prosperity and robbing opportunity.

Ladies and Gentlemen, the protestors have every right to state their point of view but let us be clear: their fundamental premise is wrong, their opposition is misguided, and their solutions would only worsen conditions for people living on the margins of subsistence.

It is the protestors' misguided attempt to subvert liberalized trade itself that represents the true threat to future prosperity for those living in poverty from one end of our Hemisphere to the other.

It is their approach that is likely to perpetuate inequality and preserve economic hardship.

Erecting new barriers won't help people trapped in poverty.

Subverting competition won't improve the developing world.

Dissolving commercial ties with the United States won't expand opportunity in sheltered South American and Central American economies.

But expanded trade ties and increased competition will help every country in the Americas evolve into a stronger, more prosperous economy.

We must reject the false claims of protectionist fear by leading the willing to embrace the boundless potential of a common economic destiny.

We must support the freedom that will allow individuals throughout our Hemisphere to determine for themselves the key economic decisions that will define their lives.

REFUTING THE PROTESTORS

The protestors have said they want their assertions to be taken seriously. So, let's take them at their word by examining their claims.

They tell us that NAFTA failed.

The lesson to draw from NAFTA is that free trade benefits all partners. Take Mexico's experience.

During the years 1994 to 2000, foreign direct investment tripled the three-year average prior to NAFTA. This investment built a Mexican manufacturing sector with jobs paying 40 percent higher wages.

By 2001, Mexican exports to Canada and the U.S. were up 223 percent over 1993 and those increased exports produced more than half the growth in Mexico's Gross Domestic Product.

At the same time, America's manufacturing output soared in the 1990s, up 44 percent in real terms. In the 10 years since NAFTA, U.S. manufacturing wages more than doubled the rate of increase over the previous decade.

NAFTA has been good for both American workers and Mexican workers.

In addition, NAFTA greatly expanded the political debate and the health of democracy in Mexico. The openness it created led to the emergence of a healthy two-party system.

A growing, stable Mexican economy naturally requires more American and Canadian goods and services. NAFTA was good for Mexico. NAFTA was good for Canada. And, I'm pleased to say, NAFTA was good for American workers and businesses.

American companies are already engaged in the most competitive marketplace in the world.

The U.S. market is also the most open of any major trading economy—this openness is a key source of American economic strength and competitive advantage.

For that reason, American workers have nothing to fear and much to gain from trade agreements that open additional markets to the products and services they produce and provide.

Over time, export-oriented firms have been our steadiest job creators. Employment at U.S. exporting firms is growing roughly a third faster than the rest of the economy.

The larger economic lesson is that, by opening their markets to trade, developing countries stand to strengthen their own economies.

One benefit from trade is frequently missed. An increasing number of U.S. jobs depend on imports.

The World Bank estimates that components and parts form at least 30 percent of the manufactured goods traded worldwide.

The point for American workers is that a growing number of good, high-wage jobs are tied directly to imports.

The protestors tell us that the FTAA will increase poverty and inequality.

Those advocating a return to the policies of 1970s would do well to remember that those policies were largely responsible for the lost decade of the 1980s in South America.

The widespread idea that countries should seek economic self-sufficiency was a huge setback to the global economy and it was devastating to the countries that pursued those policies.

By focusing primarily on market access issues, protectionists commonly overlook a key point. They fail to understand that one of trades' most powerful benefits is the change it stimulates internally.

Free trade brings greater competition. Competition leads to innovation. Innovation raises productivity. Higher productivity drives economic growth. And an expanding economy creates new jobs, fuels capital formation, and raises living standards.

A higher standard of living means people lead better lives at home and companies gain customers as the demand for goods and services rises in our Hemisphere.

And developing countries will build stronger societies, as people demand the God-given freedoms to which they are entitled.

While the protestors may cast their opposition as liberation, what they are actually doing is chaining people in the developing world to the failing economic systems that are today denying them hope and the opportunity to succeed.

TRADE FOSTERS CIVIL SOCIETY

The benefits from trade spread far beyond its economic impact. The openness trade brings strengthens political freedom in developing countries.

The economic progress fostered by free trade and open markets rests on a broader foundation of fundamental rights.

Free markets, free minds, and the freedom to take part in the decisions that determine the national destiny are related elements on the path to economic advancement.

As countries begin competing in the global economy, they build the domestic framework and structures needed to support good governance, build democratic institutions, and attract foreign investment.

The structural changes encouraged by trade give disenfranchised people a larger voice in their government.

As market forces take hold, they work to establish the rule of law, an independent judiciary, even-handed regulation, dependable law enforcement, and a government that promotes stable economic conditions.

This process leads to greater transparency, enforceable property rights, fiscal responsibility, low inflation, expanded competition, and improvements in education and health care.

All of these changes are vital but the growth of private property rights can be a powerful catalyst in transforming struggling economies.

As the President has said: “Free and open trade creates new jobs and new incomes. It lifts the lives of all our people, applying the power of the markets to the needs of the poor.”

The thing to be remembered is that trade sparks positive changes in societies that open their markets.

But, of course, before free markets can help countries reach their full potential, other elements must be in place.

PROPERTY RIGHTS A CATALYST FOR OPPORTUNITY

Visionaries like Hernando de Soto are pioneering many of the most fascinating revelations in developmental economics in Latin America.

As de Soto points out, successful economic development depends heavily on private property rights:

“The single most important source of funds for new businesses in the United States is a mortgage on the entrepreneurs’ house. . . By this process the West injects life into assets and makes them generate capital.”

The absence of clear property rights in developing countries is a huge barrier to capital for entrepreneurs and risk takers.

Creating a body of law in the developing world that will allow the poor to convert their assets into capital is the first rung on the economic ladder.

President Lula of Brazil is attempting to empower squatters in Rio, and Sao Paolo, and Brasilia by giving them an ownership stake in their community and access to capital through property rights. He’s trying to give them capital.

Here is the upshot. While private property rights may be the catalyst to transform developing societies, it is the broad recognition of all the important rights that form civil societies that allow people and countries to reach their potential.

Societies that protect the rights of their citizens produce a powerful momentum toward economic progress.

We’ve seen this happen time and time again. World Bank researchers have shown a powerful correlation between countries opening themselves to trade and a strong increase in the size of their economies.

DENYING FREEDOM THROTTLES ECONOMIC LIFE

Nowhere do we see a starker reminder of the economic costs imposed by denying the fundamental elements of a civil society than in the ongoing economic failure of Castro’s Cuba.

As President Bush has said, governments that cling to the old habits of central control actually fear and repress independent thought, creativity, and private enterprise—the human qualities that build strong and successful societies.

Under Castro’s oppression, Cuban life fails almost every measure of a successful society.

His brutal dictatorship denies liberty to the Cuban people.

His flawed and failed economic ideology holds hostage Cuba’s natural creativity, talents, and entrepreneurial spirit.

The gap between Cuba's vast potential and her sad history of hardships is a gaping hole in the heart of human potential.

Oppression exacts a cost and the Cuban people have paid it far too long.

Mr. Castro, for decades you've held down the Cuban people as the Western Hemisphere's oppressive tyrant. The free people of the world call upon you to end the oppression.

A COMMON DESTINY OF FREEDOM AND PROSPERITY

I've described the direct and indirect benefits that flow to countries that liberalize their trade relationships.

I'm here because as U.S. Secretary of Commerce, it's my job to be an advocate for the economic best interests of American workers and industry.

And, candidly, I see it as my job to be a protestor of a different kind -- a protestor against protectionism that harms, rather than protects.

This Administration supports the FTAA because it is strongly in the interests of American workers and companies to establish free trade in our hemisphere.

We will create more jobs in America and stimulate greater domestic economic activity at home, if the tariffs and trade barriers come down across the Americas.

The good news is that we all share in the benefits.

The frequently missed point in debates over trade is that, as America prospers and grows our economy, so too will other countries in the region see their economic fortunes rise as well.

We in the United States will continue reaching out to those like-minded countries that seek open trade on a level field.

We'll continue striking Free Trade Agreements with willing parties. Whatever the future holds for the FTAA, this Administration will continue pushing the momentum of free trade forward in our Hemisphere.

Together we can reject the false idea that free trade is a zero-sum game.

We can turn back the protectionist dogma that the nations of our hemisphere should retreat behind our borders to engineer a fruitless quest for economic self-sufficiency.

We can reject these deceptive precepts of protectionism.

We can instead define a partnership for prosperity.

We can build the largest market in the world.

We can place confidence in the common hopes and purposes of a unified hemisphere.

We can expand opportunity for hundreds of millions of people.

We can create a place of peace and prosperity.
To succeed we must summon the wisdom and the courage to trust the rising tide of economic progress.

There is the power in this room to make a difference.

To lead this Hemisphere and our world to a place your children and grandchildren would all want to call home.

Accept the responsibility. Make the commitment. Make a difference.

Thank you.