

**U.S. Commerce Secretary Carlos M. Gutierrez  
American Chamber of Commerce in El Salvador  
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[As Prepared for Delivery]

I want to commend the El Salvador AmCham for your commitment to free trade and open markets. CAFTA-DR was a great victory for people, workers, and businesses throughout the Americas .

On behalf of President Bush, I thank you for all the hard work that your organizations brought to achieving this victory. It was difficult, but an optimistic and pragmatic vision of the future won the day. Thank you for joining us in that mission and I appreciate the opportunity to take part in your program.

Let me begin by recognizing the enterprises that you represent for the exceptional difference your businesses are making in our hemisphere. You are adding the critical momentum to the rising tide of economic freedom. Your efforts are helping to build a stable and democratic Latin America .

You're the real heroes. You're investing the capital. You're putting people to work. You're creating customers for American goods and services. You're translating opportunity into jobs. And you're transforming the region by introducing the core principles shared by self-governing, stable societies.

Governments provide the framework for prosperity, but it is the private sector that enables people to achieve it.

You play a pivotal role. I know that because I saw the amazing things that your companies did during the twenty years that I worked in the Americas .

The trading opportunities you create open the door to greater prosperity for developing economies. We share a common mission to expand economic freedom. Our partnership has helped the United States and our economic allies in Central America to expand trade in our hemisphere.

When people learned the facts about this agreement, they supported it. They did so because CAFTA puts a belief into practice: It's the conviction that, together, we all can achieve greater things.

History will show that CAFTA was strongly in the long-term best interests of our hemisphere. It won't transform the region overnight, but it gets us moving in the right direction.

Our objective is to arm people with the skills to become self-sufficient and build a stable society. Foreign aid and debt forgiveness can both play a role in economic development, but our objective isn't to transfer wealth. Our goal is to create new wealth and prosperity.

In the U.S. , we want to empower our friends to become full-fledged partners in the prosperity created by open and transparent markets. That expansion of economic opportunity is one of President Bush's top goals for our hemisphere. With CAFTA-DR, we take a big step toward that goal.

Today, Central America is moving in the right direction, although many countries remain fragile democracies. A transparent, rules-based system will go a long way toward preventing the acts of the past, in which corruption was widespread.

Corruption hurts people, families, and children. Economic reforms should lead to new roads, schools, internet cafes and health clinics.

Strong and transparent legal systems are a key element in the struggle against terrorism, corruption, and criminal enterprises. And strong economies play an important role in the global war against terrorism.

I've been doing business in these markets for 20 years. I know what happens when democracy fails. I've lived under that failure. We can't allow the progress and sacrifices of the last 20 years to be squandered. Fortunately, countries in Central America are boldly standing up for economic freedom.

CAFTA will help these countries continue the transition to freedom. And that expansion of freedom and economic progress makes it easier to achieve our regional security goals.

Trade brings powerful benefits for emerging economies. Free trade introduces higher standards of accountability that can expose corruption.

Trade strengthens young democracies: Citizens discover the freedom to choose well-functioning legal systems, transparent regulations, respect for property rights, and government accountability.

At the Department of Commerce, we're here to help with that transition. Today I am pleased to announce that the U.S. will be extending our collaborative Good Governance Program to El Salvador , Guatemala , and Honduras .

The Department of Commerce's Good Governance Program is an initiative that draws together leaders from the private sector, government, and civil society, and creates a single team to wage a campaign to bring greater transparency and to eliminate corruption.

The Good Governance program uses training, ethics pacts, and business manuals, among other tools, to introduce the accountability that will stamp out bribery and corruption.

Our Good Governance Program will complement CAFTA's provisions by promoting private sector leadership and private-public partnerships to fight corruption and fortify the rule of law.

This Good Governance program is already helping eleven countries promote good business practices, improve corporate transparency, and fight corruption.

Our program is unique because we focus not on what governments

should do, but on practical steps for the private sector. We show people and businesses how to raise transparency and accountability.

In the last two years, we have launched three Latin American pilot programs—in Nicaragua , Panama , and Paraguay .

Let me give you a few examples of the work being done in each of these countries:

- Private sector-led coalitions have developed country-specific Ethics Pacts.

- Business associations, Chambers of Commerce, and individual businesses adopted these Ethics Pacts, which include prohibitions on bribery.
- The Pact signings brought together the private sector, the highest levels of government, and civil society.
- They generated an unprecedented level of collaboration between the public and private sectors against corruption.

In our seven years of working with the private sector through the good governance program in countries around the world, we have developed resources and tools that can be the starting points for your own tools, which you can then modify to fit markets in Central America .

We will soon be working with you to strengthen private sector leadership in fighting corruption and promoting transparency. I plan to send a team to each of these countries over the coming weeks.

They will gather your recommendations. We are seeking the best way to get governance programs up and running in your countries as quickly as possible over the next year.

As business leaders, you recognize the real economic costs associated with corruption and a weak rule of law. Sometimes the cost is lost time from bureaucratic red tape. Sometimes you pay excessive charges or increased fees to get your licenses and permits.

Corruption, the lack of transparency, and a weak rule of law are invisible taxes that raise your cost of doing business. This is true for all companies: Domestic and foreign; large and small—everyone pays more.

But reform is coming. CAFTA's provisions will strengthen the rule of law and promote transparency. The Good Governance Program will complement CAFTA's provisions by providing tools and resources to the private sector to fight corruption.

We believe that the private sector is the engine of growth and the champion of change in the United States and throughout the world. For that reason, we want the private sector to lead the way toward a society that values transparency, accountability, and ethical practices.

Promoting these values is the right thing to do, but it's also good business. By adopting sound practices, you encourage your government to enact and enforce laws that promote transparency, accountability, and growth.

Many people within the CAFTA-DR countries carry the expectation that greater trade liberalization will bring a wave of foreign direct investment.

They look forward to new factories and businesses locating in their countries. These hopes are reasonable. But it bears mentioning that each country controls its own suitability for investment.

Here's what we've learned from experience: The faster the good governance climate within a country matures, the greater the likelihood that entrepreneurs will be willing to invest capital within the marketplace.

So, the biggest beneficiaries of progress on good governance issues will be the citizens of the countries making swift changes and reforms.

America will always be a beacon for those who want to compete within the world's most dynamic free market, and a growing Central America will offer people employment options within their home countries.

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I hope all of you will be standing beside the United States as we pursue a bold and optimistic vision of a stronger, more prosperous, and more economically engaged hemisphere.

As President Bush has said, "The survival of liberty in our land increasingly depends on the success of liberty in other lands. The best hope for peace in our world is the expansion of freedom in all the world."

Thank you for all that you do. I look forward to working with all of you to continue expanding economic freedom, investment, and opportunity within our hemisphere.