

economic expansion. And by allowing a President to sign important legislation while canceling projects that do not meet important national goals, it will change the way Washington works.

America must—and will—continue to have the world's strongest military. We have an obligation to manage our defense budget with both national security and fiscal responsibility in mind. Every penny of our defense dollars should be used to sustain and strengthen the best trained, the best equipped, and the best prepared Armed Forces in the world.

Today, for the third time, I am using the line item veto to cancel 13 projects inserted by Congress into the Department of Defense's appropriations bill. These cancellations will save the American taxpayer \$144 million. This use of the line item veto will help ensure that we focus on the projects that will best secure our strength in the years to come.

I canceled the projects because they were not requested in my fiscal year 1998 budget,

and because either they were not contained in our future years defense program or the Department of Defense determined that they would not make a significant contribution to U.S. military capability. In two cases, I canceled items that had broader policy implications for long-standing U.S. national security policy. I have been assured by the Secretary of Defense that none of the cancellations would undercut our national security or adversely affect the readiness of our forces or their operations in defense of our Nation.

As I said last week, I will continue to scrutinize other appropriation bills, using appropriate criteria in each instance, and I will exercise the line item veto when warranted.

NOTE: The reports detailing the cancellations were published in the *Federal Register* on October 15. H.R. 2266, approved October 8, was assigned Public Law No. 105-56.

Letter to Congressional Leaders Transmitting Line Item Vetoes of the Department of Defense Appropriations Act, 1998 *October 14, 1997*

Dear Mr. Speaker: (Dear Mr. President:)

In accordance with the Line Item Veto Act, I hereby cancel the dollar amounts of discretionary budget authority, as specified in the attached reports, contained in the "Department of Defense Appropriations Act, 1998" (Public Law 105-56; H.R. 2266). I have determined that the cancellation of these amounts will reduce the Federal budget deficit, will not impair any essential Government functions, and will not harm the national interest. This letter, together with its attachments, constitute a special mes-

sage under section 1022 of the Congressional Budget and Compoundment Act of 1974, as amended.

Sincerely,

WILLIAM J. CLINTON

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. The reports detailing the cancellations were published in the *Federal Register* on October 15.

Remarks to Business Leaders in Sao Paulo, Brazil *October 15, 1997*

Thank you very much, Mr. Miller, for your introduction and your statement. Thank you, Governor, for your moving words. And thank you all for coming out this morning. I am de-

lighted to be here and to be joined by a distinguished delegation of Americans, including the Secretary of State, the Secretary of Commerce, the Secretary of Education, the United Nations

Ambassador, my Special Envoy to Latin America, the National Security Adviser, and four distinguished Members of the House of Representatives: Congressman David Dreier, Congressman Jim McDermott, Congresswoman Nydia Velázquez, and Congressman Rubén Hinojosa. We also have the Brazilian Ambassador to the United States here, the minister of the Brazilian Government, and the mayor, and I thank them all for coming.

I think this bespeaks the importance of the relationship between the United States and Brazil. I'm delighted to be in Sao Paulo, the economic engine of this great nation and the commercial heart of the new Latin America. I often hear it said now that Brazil is the land of the future. I think that in this city, the future is here. I thank you for giving me the opportunity to discuss the partnership that I hope our two nations will forge for the 21st century.

All of you know that over the last decade, a genuine revolution has swept across this hemisphere. As never before, the Americas are coming together in the embrace of common goals and common values. We have a special responsibility and a special ability, Brazil and the United States, to work together with the other nations of the Americas to lead this process, with the largest populations and the largest economies, rich natural resources, enormous and fascinating diversity among our peoples. Most important, both of us cherish the same ideals: freedom and equality; respect for the individual and the integrity of the family and community; social justice; and peace.

Our partnership is already broad in scope and ambition. We fight drugs and the spread of nuclear weapons together. We work to protect the rainforest and to explore the heavens together. We work to help others in our hemisphere turn from conflict to cooperation together. But nowhere can we make a greater difference for our people than by leading all the Americas down the path to prosperity in the new economy of the 21st century.

The United States has worked—watched with respect and admiration as Brazil has embraced strong reform. With President Cardoso's Real Plan, with the support of the public and the Congress, Brazil has slashed inflation from 2500 percent to 5 percent in only 5 years—a truly astonishing accomplishment. In the course of so doing, 13 million Brazilians have been lifted above the poverty line, growth of more than

4 percent a year has been achieved. Brazil has become a magnet for billions of dollars of foreign investment, a good deal of it from the United States.

Brazil's growing prosperity is good news for Brazilians but also good news for Americans. Last year our bilateral trade totaled more than \$21 billion. The United States is Brazil's largest single trading partner, larger than the Andean Pact, the Central American common market, CARICOM, and MERCOSUR combined. We buy about a fifth of Brazil's exports, and our exports to Brazil have more than doubled since 1992. As Mr. Miller said, American businesses know that Brazil is a great place to bet on for the future, it's a good place to do business, and today there is, I understand, also in this audience a first-rate trade delegation from Seattle trying to support that proposition.

Our big trade numbers sometimes mask a lot of individual stories, not always from large companies. The Snider Mold Company of Mequon, Wisconsin, sells molds for making water tanks to companies in Brazil. Brazilian firms use the equipment to replace old tanks with safer models, supporting jobs in both countries and providing healthier drinking water for families in Sao Paulo. The lives of real people are changed for the better by this kind of trade.

And in Brazil, we see a large snapshot of what is happening indeed throughout our region, where barriers are falling, trade and investment are booming, trade among MERCOSUR countries has more than quadrupled since 1990. In that same period, the United States exports to Latin America have grown by more than 100 percent. This all promotes greater efficiency in economic growth in the Americas and brings people better opportunities to build better lives for themselves and their children.

Early in the next century, as open markets continue to spread, 20 nations around the world, home to half the world's population, will lift themselves from the ranks of the poorest countries into the ranks of middle-income countries. Their gain in skills and jobs and wealth will be our gain as well.

I want America to lead the process of economic integration and rising living standards here in our hemisphere and around the world. In the last 4½ years, we have concluded more than 220 separate trade agreements with expanding trade accounting for one-third of our

own strong growth. Now I'm working to persuade our Congress to renew the President's fast-track negotiating authority so that we can do more.

In the past few weeks, the Senate Finance Committee and the House Ways and Means Committee, on which Congressman Dreier and Congressman McDermott who are here with me sit, have approved this legislation with bipartisan support. And we're going to do all we can to pass the bill this year. I hope, if I might be forgiven this on foreign soil, I hope that those of you representing American companies will urge Members of Congress of both parties to support the legislation. I need all the help I can get. *[Laughter]*

I have also attempted to see that the United States puts special emphasis on Latin America. We hosted the Summit of the Americas in Miami in 1994. I appointed my longtime friend and former Chief of Staff Mack McLarty to be a Special Envoy to Latin America to send a signal to the continent that we are serious about a long-term sustained and comprehensive partnership. The United States welcomes all constructive efforts by others to bring our hemisphere together and, especially, Brazil's leadership role in those efforts. Brazil and Argentina, through their strategic alliance, are providing a decisive impulse for democracy, economic reform, and regional security cooperation. MERCOSUR has expanded trade among its members and with the outside world. It has also bolstered democracy and promoted peace as a growing integration and interdependence make yesterday's hostilities unthinkable today.

We hope every step in the process of hemispheric integration, whether in MERCOSUR, NAFTA, CARICOM, or elsewhere will build momentum toward our common goal of a free-trade area of the Americas by 2005, first endorsed at the 1994 Summit in Miami.

Our nations are committed to launch comprehensive negotiations at Santiago in April and, as we agreed at the Miami Summit, to achieve concrete progress by the turn of the century. Just imagine the potential of an American market with 800 million people, from Alaska to the southern tip of Argentina, buying each other's goods, spurring each other's creativity, enriching each other's lives, investing in each other's future.

But even as we seize these possibilities, we must also work even harder to bridge the gap

between the haves and the have nots. The age-old curse of Latin America, the constant undercurrent of all advanced economies of the last 20 years, has got to be dealt with more seriously not only by government but by people in the private sector working in partnership with government. We have to give everyone who will work for it a place in the future we are trying to build.

In your country and mine and throughout the hemisphere, many people still question our course, fearing the pressure of competition, feeling as yet no benefit from the changes underway. Knowing that as yet, no nation has found the perfect formula for both embracing the global economy while preserving and extending the social contract. Globalization is irreversible. Protectionism will only make things worse. But while we cannot turn back the winds of change, we can and must do more to harness their force to everyone's advantage and make sure that the benefits and burdens of expanding trade are fairly borne.

That means deepening democracy and the rule of law, including a free press and an independent judiciary. It means insisting on worker protection so that trade enhances working conditions and living standards instead of undermining them. It means equipping all our people with the education, training, and skills to succeed so that progress is everyone's friend.

Since 1993, we in the United States have been working hard to come to grips with these two competing challenges. We have more than doubled our worker training funds directed at those in the work force who may be displaced by technology or trade. We have established the North American Development Bank to try to make investments in communities that have been displaced by our increasing integration with Canada and Mexico. We have worked to improve joint environmental inspections and enforcement and to jointly agree to stop using some kinds of chemicals and other things which are damaging to the environment.

We have set up special empowerment zones to give our private sector incentives to invest in communities which are not touched by trade one way or the other because their economies have developed so little. All these things have not had perfect results, but they are making a difference, and they show that there is a way to have strong economic growth, an open economy, an openness to trade and investment, and

still care about extending opportunity so that more and more people who are willing to work have a chance to work and succeed.

We must also do more to protect natural resources and the environment. The United States rejects the false choice between economic growth and environmental protection. We believe in sustainable development, making sure that today's progress does not come at tomorrow's expense. Trade-driven growth need not bring environmental quality down. Indeed, trade must maintain and improve the quality of our environment.

Brazil and the United States share a commitment to meeting these challenges, all of them, head on. We can set a standard of success for the Americas, showing that democracy and free markets deliver, protecting our planet for future generations, making education and the wonders of technology the modern birthright of every citizen.

I am especially impressed with President Cardoso's determination to improve education. Both of us are working to ensure that every school has high standards, that every child, rich or poor, has the knowledge to succeed in the new economy. America's new balanced budget includes the biggest new investment in education since 1965. Our agenda is sweeping but straightforward. We expect every 8-year-old to be able to read, every 12-year-old to be able to log on to the Internet, every 18-year-old to be able to go on to college, and every adult to be able to continue learning for a lifetime.

Brazil spends nearly 6 percent of its GNP on education and is working hard to increase enrollment and to help more children complete their early years of school. Now, through our new partnership for education that President Cardoso and I signed yesterday, our nations will work together to teach our children for tomorrow.

This afternoon I look forward to visiting the Mangueira School in Rio, where Brazil is proving every day that every child has the potential to succeed. I commend the Brazilian business community for investing in education, and I thank the Sao Paulo American Chamber of Commerce for your leadership in this effort which Mr. Miller referenced in his remarks.

Even as we speak, the First Lady is visiting one of the schools you have adopted so that she can see your success first hand. Your programs have helped to keep children in school,

helped teachers to learn, and helped to raise standards. Now they will help to broaden access to educational technology. I urge you to do as much of that as you can.

Brazil and the United States share the vision that all our citizens should be connected to the information age. We have both adopted ambitious programs to link our schools to the Internet. We are attempting to make sure that every classroom and library in the United States will be hooked up to the Internet by the year 2000. When we do that and when Brazil does that, no math, no book, no tool of learning will be beyond the touch of our children, regardless of the wealth of their families or the part of town where they live. And when that happens, no dream will be beyond their reach.

Already, Brazilian-American partnership is bringing world-class technology to boys and girls in Brazil. Ashford International, a small firm from Stone Mountain, Georgia, recently launched a project with Sao Paulo's local government supplying 5,000 multimedia computers for 1,000 area schools. That's good for the students and good for the Stone Mountain company and its workers.

Even as computers and the Internet are expanding the world of learning, they also bring new opportunities for electronic commerce. When I took office in 1993—just think of it, in 1993—only high-energy physicists had heard of the World Wide Web. Now, even my cat, Socks, has a webpage. *[Laughter]*

I was meeting with one of the young men who has made a small—perhaps a large—fortune in figuring out how to commercialize the Internet in California the other day, and he said that the Internet was the fastest-growing organism in human history, that no one could measure its expansion.

Today, there are as many as 50 million people on the Internet, and for Brazilian net browsers, the surf is up. Since 1996—since 1996—the number of Internet hosts in Brazil has risen by 535 percent. Electronic commerce can improve productivity, facilitate global communications, help small companies sell to a worldwide market, create a revolution in the way we all market and sell. But in order for this digital economy to flourish, it must not be weighed down by the heavy hand of government regulation and fees.

President Cardoso and I discussed the importance of creating a market-led environment in

which this new medium can succeed. I feel very strongly that all nations have a responsibility to facilitate, not undermine, this process; it will have enormous economic implications that are quite positive for every country if we can do so.

Working together on behalf of new technologies, by the way, has long been a mark of our relationship. You may know that in 1876, Brazilian Emperor Don Pedro II came to our Centennial Exposition in Philadelphia where he helped draw attention to a new invention of Alexander Graham Bell, the telephone. Today, Brazil's telecommunications sector is the largest in Latin America. Your Government predicts it will net investments close to \$70 billion by 2003. And earlier this year, America's Bell South, teaming up with respected companies in Brazil, won a bid to provide cellular telephone services here in Sao Paulo.

A century ago, Brazil saw promise in our technological future. Today, we are proud to be investing in yours. New education and new technologies will help carry our nations forward. But we will soar only if we also maintain our oldest values. Your country and mine have a generous tradition of welcoming people from all around the world. One of our greatest strengths is our commitment to live together and work together and learn together, regardless of our backgrounds of race, religion, or ethnicity. I commend President Cardoso for his human rights plan and his emphasis on racial equality.

In our country, in one public school district across the river from Washington, DC, which I can see from the White House, there are students from more than 150 nations—in one of our school districts—speaking more than 100 different languages. The neighborhoods of Sao Paulo are a window on the world. The colors of Italy enliven Bexiga. The flavors of Japan infuse Liberdade. The spirit of the Middle East fills Bom Retiro. The rhythms of Africa pervade every quarter. People from everywhere call this place home.

It must be truly mysterious to you as it is to many of us when we see people from Bosnia to Central Africa, from the Middle East to

Northern Ireland still determined to hate one another and fight and sometimes rob people of their freedoms and their very lives because of their differences. Our differences make it much more interesting to live in our communities and our Nation and, frankly, much more profitable to go into the future.

So, as we make the most of this age of opportunity, we ask ourselves, which nations will do best in the global economy? The nations with the globe inside their borders. This, too, is a lesson that Brazil and the United States must, first, never forget for ourselves and, second, try to impart to the rest of the world.

In the 19th century, we forged a friendship grounded in our common love of freedom. The United States was honored to be the first nation to recognize Brazil's independence. In the 20th century, we fought side by side to prevail in World War II and to preserve freedom's light. The United States is still honored that Brazil came to provide soldiers to fight with us for freedom in both the great World Wars of this century. Now, on the eve of the 21st century, a bold, new challenge awaits us: to secure the blessings of freedom and prosperity for all the people of our hemisphere and throughout the world.

Our nations share a vision for the future of the Americas, where every child has quality education, all our people reap the benefits of modern technology, open societies linked and lifted by open markets create new opportunities for all people and protect their freedom to seize them. That is the future we are working to build. And together, I am quite confident that we will succeed.

Thank you very much.

NOTE: The President spoke at 7:30 a.m. in the Auditorium at the Memorial America Latino. In his remarks, he referred to Daniel Miller, president, Sao Paulo American Chamber of Commerce; Gov. Mario Covas of the State of Sao Paulo; Brazilian Ambassador to the United States Paulo Tarso Flecha de Lima; and Mayor Celso Pitta of Sao Paulo.