



For Immediate Release  
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## President Bush Attends APEC CEO Summit 2008

Ministry of Defense Convention Center  
Lima, Peru

[In Focus: APEC 2008](#)

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PRESIDENT BUSH: Gracias, señor. (Laughter.) What he forgot to say, Secretary Rice, is that he went to Notre Dame. She is a great supporter of Notre Dame. And thank you for having me. Laura and I are delighted to be back in your country.

This is my second trip as President. I have been looking forward to it. And I appreciate the opportunity to come and discuss the state of the financial situation with such an august group. I want to thank you for making the Asia Pacific region a vibrant part of the world.

I believe it is important for the world to recognize, and for our country to recognize, that the United States is a Pacific nation. And over the past eight years, I have made it a priority -- I made APEC a priority. I've been to every single APEC summit. (Applause.) I want to send a clear signal that it's in our nation's interest that we engage actively and consistently with the nations of APEC.

My first international trip after September the 11th, 2001, was to an APEC summit in Shanghai. My first trip overseas after my reelection in 2004 was to the APEC summit in Chile. And now that I'm headed to retirement -- (laughter) -- my last trip as President is to APEC here in Lima. (Applause.)



This summit comes at a serious time during economic turmoil. And I'm looking forward to our discussions. It is -- also comes at a time of unprecedented cooperation. A week ago in Washington, you might have heard that I had the honor of hosting a summit in what will be the series of international summits to address the financial crisis. I didn't believe we could solve all problems in one meeting, but I did believe it was important for us to host the initial summit to get it started, to lay the foundation for successful -- for meetings.

I also didn't believe that the meeting ought to be with kind of a handful of countries. Some suggested, keep the meeting small. I didn't agree with that. And that's why we invited 20 leaders, including eight members of APEC -- because I believe developed nations and developing nations needed to be sitting at the same table to have an honest, fruitful dialogue. (Applause.) After all, nations in Asia and Latin America now contribute more to the world economy than ever before. Nations are feeling the painful effects of the financial crisis; I understand that. And so all of us need to be involved in the solution. And we'll discuss this during our APEC meetings here, starting today.

At the summit, leaders from around the world sent a powerful message of unity and determination. We agreed on principles and actions to modernize the financial structures of the 21st century. There's a recognition that while our economies have changed, the financial structures that we are dealing with were primarily written in the 20th century. We believe in transparency and integrity in the markets that will make sure that firms and financial products are subject to proper regulation and oversight.

We agreed that the world's financial authorities must improve cooperation, that governments must keep their promises to the



developing world. One point I'll make this morning at the APEC summit is to say that the United States is committing

-- committed to improving social justice, and we will not let this economic turmoil prevent us from helping nations educate their people, provide good health care, feed the hungry, and deal with diseases like HIV/AIDS and malaria.

We agreed that we must reform the International Monetary Fund and the World Bank to better reflect the important role of developing nations. And we agreed to keep our markets open and firmly reject protectionism. (Applause.) All these steps are essential to rebuilding confidence in our financial systems. Yet the only way to regain strength in the long term is sustained economic growth. And among the most powerful engines of that growth are the businesses and workers and entrepreneurs of the Asia Pacific region.

A few decades ago, a statement like this would have seemed unimaginable. Many Asia Pacific economies were mired in poverty; their governments pursued backward economic policies. Then leaders started to make bold decisions by opening up their markets, by welcoming investment and trade, and by tapping the potential of the private sector. The results have astonished the world.

In the midst of all this turmoil, it's important to remember what has taken place as we chart our future. The APEC region's share of the global economy has grown nearly 55 percent. Isn't that interesting? When we meet today in Lima, Peru, about 55 percent of the total world's economy will be at that table. In a single generation, the percentage of East Asians living in poverty has plummeted from nearly 80 percent to 18 percent. We're witnessing a dramatic shift of history, as the center of the world economic stage moves from West to East

-- from the Atlantic to the Pacific.

Some view the rise of Asia Pacific with suspicion and fear. America doesn't. The United States welcomes the success of emerging economies throughout the region. We welcome the new hope that comes when people escape poverty and join a confident middle class. We welcome new buyers for our products, and new investors for American enterprise. We welcome new competition that leads our own workers and businesses to be more efficient. In an interconnected global economy, the gains of any advance the interests of all. So over the past eight years, America has engaged this vital region more closely than ever before.

Continuing that engagement is especially important during the times of economic strain. The policies of free enterprise that lifted up so many in this region can help chart a path to recovery for the whole world. That's what's important for people to know. That which enabled us to be successful in the past must be used to help us chart a more hopeful future for tomorrow. With confidence in our ideals, we can turn the challenge we face today to an opportunity -- and lead the way toward a new era of prosperity for the Asia Pacific and beyond.

So I want to talk today about how to do that and I want to focus -- and I think we ought to focus our efforts on three great forces for economic growth: free markets, free trade, and free people. (Applause.)

First, our nations must maintain confidence in the power of free markets. Now, I know in the wake of the financial crisis, free markets have been under very harsh criticism from the left and from the right. It's true the free market system is not perfect. It can be subject to excesses and abuse. As we've seen in recent months, there are times when government intervention is essential to restart frozen markets and to protect overall economic health. Yet it is also essential that nations resist the temptation to overcorrect by imposing regulations that would stifle innovation and choke off growth. The verdict of history is unmistakable: The greater threat to prosperity is not too little government involvement in the market -- it is too much.

Over the decades, the free market system has proved the most efficient way and the just way of structuring an economy. Free markets offer people the freedom to choose where they work and what they want; offers people the opportunity to buy or sell products as they see fit; gives people the dignity that comes with profiting from their talent and their hard work. Free markets provide the incentives to lead to prosperity -- the incentive to work, to innovate, to save and invest wisely, and to create jobs for others. And as millions of people pursue these incentives together, whole societies benefit.

No region of the world demonstrates the power of free markets more vividly than the Asia Pacific. Free markets

helped Japan grow into the world's second-largest economy. Free markets helped South Korea make itself one of the most technologically advanced nations on Earth. Free markets helped Chile triple its economy and cut its poverty rate by more than two-thirds over the past two decades. And last year, free market policies helped make Peru's economy the second-fastest growing in APEC.

Secondly, our nations must keep our commitment to free trade. When nations open their markets to trade and investment, businesses and farmers and workers find new buyers for their products. Consumers benefit because they have more choices and better prices. Entrepreneurs get their ideas off the ground with funding from anywhere in the world.

Trade is seen as controversial in some places, but here in the Asia Pacific region its benefits are beyond doubt. Trade transformed the economies of the "Asian Tigers" -- Singapore, South Korea, Hong Kong, and Taiwan -- into global powerhouses. Trade fueled the rise of a new generation of Tigers -- nations like Malaysia, Indonesia, Thailand, and Vietnam. And in the most dramatic case of all, trade helped lift China out of isolation and poverty -- and into three decades of rapid economic growth and closer engagement with the world.

Expanding trade and investment has been one of the highest priorities of my administration. When I took office, America had free trade agreements in force with only three nations. Today, we have agreements in force with 14 -- including China\*, Singapore, and Australia. We have agreements that will soon take effect with three more countries, including Peru. We concluded agreements with Colombia, Panama, and South Korea. And it is extremely disappointing that the United States Congress adjourned without passing these three agreements. And I urge all those who support free trade to continue pressing the case for the Congress to pass free trade agreements with Colombia and Panama and South Korea. (Applause.)

I just had a chance to have a cup of coffee with President Uribe. He is a strong leader. He's a good friend. And our Congress and our government must never turn our back on such a friend as Uribe. (Applause.)

In addition to negotiating these free trade agreements, my administration supported the accession of China, Taiwan, and Vietnam into the World Trade Organization. We're negotiating bilateral investment treaties with China and Vietnam. We're discussing similar agreements with Taiwan, Indonesia, and Russia.

These steps have brought benefits to America, and they brought benefits to our trading partners. Since I took office, America's trade with the world has grown from \$2.5 trillion to \$4 trillion -- an increase of nearly 60 percent. Trade with Chile and the United States has more than doubled. Trade between Peru and the United States has more than doubled. And trade between China and the United States has more than tripled. Overall, America's trade with APEC nations now accounts for nearly two-thirds of our trade in the world.

Greater economic integration in the Asia Pacific advances the interests of all. So earlier this year, America began discussions on a new regional free trade agreement with Brunei and Chile, New Zealand and Singapore. This agreement has the potential to open up new opportunities across the region. And we welcome other APEC members to join, and we appreciate Australia and Peru's recent announcements that they will join. Eventually, this agreement could be the foundation of something even more promising -- a free trade area of the Asia Pacific, where goods and services and capital flow across borders without barriers.

The nations in this region must also continue to work -- must continue to work down -- continue working to break down trade barriers at the global level. We have an immediate opportunity to do so through the Doha Round at the WTO. One of the enduring lessons of the Great Depression is that global protectionism is a path to global economic ruin.

At our summit in Washington last weekend, leaders from around the world expressed strong support for completing Doha. Isn't that interesting? Over 20 nations at the table, from all different kinds of backgrounds, expressed solidarity with the idea of completing Doha. And now we've got to put those words into action. I recognize I'm leaving office in two months, but nevertheless, this administration will push hard to put the modalities in place so that Doha can be completed, and so we can send a message: We refuse to accept protectionism in the 21st century. (Applause.)

The third great force for economic growth in this region is the limitless potential of free people. As the business leaders in this room understand, the greatest resource any country has is the creativity of its citizens. That's what

economists call "human capital." And the best way to unleash that resource is, is to build healthy, educated, and democratic societies.

One requirement of any free and prosperous society is accountable and effective government. The United States launched the Millennium Challenge Account to invest in nations that fight corruption, pursue wise economic policies, and invest in the health and education of their citizens. Today, Millennium Challenge programs support some of the world's most promising developing nations -- from Indonesia to the Philippines to Peru. This initiative demonstrates a larger truth: Whether it leans left or right, any government that is honest with its people, that exists to serve the people, that advances social justice and desires peace, will have a partner in the United States of America.

America is helping build -- helping governments lift the daily burdens that hold their people back, such as hunger and ignorance and disease. We're cooperating with APEC nations to adopt better farming practices and build up local agriculture markets. We're partnering with leaders to defeat the AIDS epidemic in places like Papua New Guinea and Vietnam. We're supporting countries like Indonesia that invest in basic education. We're committed to these efforts. And as I said earlier, we'll be committed to these efforts regardless of the ebb and flow of the markets, and our partners can be confident that the compassion agenda of the United States of America will continue.

Ultimately, the only way for a nation to realize its full potential is for its people to live in freedom -- it includes both economic and political freedom. When people are free to profit from their abilities, they prosper. When people prosper, they demand more liberty in other areas of their lives. And we have seen this story unfold throughout this region. To continue freedom's momentum, the United States and other free nations are taking practical steps to support young democracies through the Asia Pacific Democracy Partnership. We recognize that democracies develop at their own speeds, consistent with their own cultures. But when people experience the dignity and the opportunity that freedom brings, they never turn back. I've told people a lot since my presidency this truth: I believe there is an Almighty. And I believe a gift of that Almighty to every man, woman and child on the face of the Earth is freedom. (Applause.)

As we look to the future, the tasks facing our nations are no doubt demanding. Recovering from the financial crisis is going to take time. But we'll recover, and in so doing, begin a new era of prosperity.

The nations of APEC have faced tests before. We have risen to meet them together, and we will do so again. Over the past eight years, we've taken measures to protect our people from terror and the proliferation of weapons of mass destruction. We've responded to natural disasters. We've worked to prevent the spread of potential pandemic diseases like avian flu and SARS. We've worked to confront climate change and usher in a new age of clean energy. We're standing for a Korean Peninsula free of nuclear weapons -- and with a Burma free of repression.

Above all, we can be confident in the future of this region because we know the spirit of its people. And I've seen it firsthand. When I attended my first APEC summit in Shanghai -- just a few weeks after September the 11th, 2001 -- I said that America would always remember the signs of support from our friends in the region. I remember the American flag flying from every fire truck in Montreal, Canada. I remember children kneeling in silent prayer outside our embassy in Seoul. I remember baseball players in Japan observing moments of silence. I remember a sign handwritten in English at a candlelight vigil in Beijing that read, "Freedom and justice will not be stopped."

The bonds of unity we felt then remain today, and they will always remain. Long after this crisis has passed, the United States of America will stay engaged in this region. We will continue working with our partners to build an Asia Pacific where people can work and worship and trade in freedom, where children grow up with hope and pursue their dreams, and where thriving, prosperous nations continue to inspire the world.

Thanks for letting me come by. Que Dios le bendiga. God bless. (Applause.)

END 10:11 A.M. (Local)

\*Chile

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