

# Office of the Governor

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## NEWS RELEASE

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### GOVERNOR CHRISTIE WHITMAN ADDRESSES INTERNATIONAL INSTITUTION, Tours Lucent State-of-the-Art Digital Wireless Laboratory

**BUENOS AIRES, ARGENTINA** -- Gov. Christie Whitman told an international audience today that New Jersey is a dominant player in the global marketplace, urging members of the Argentina Council for International Relations (CARI) to consider New Jersey for its investment decisions.

Gov. Whitman stressed the globalization of the world economy.

"For most of us, it's hard to think about a global system. It is hard enough to think about a city block, much less a planet. Add to this the realization that the problems confronting one nation today may be at another nation's doorstep tomorrow - or even tonight," the Governor said. "Today, the question isn't whether we choose to take part in this global economy. It's here to stay and it's impossible to reverse the technological progress that drives it."

Later in the day, the Governor helped inaugurate the newest facility in Latin America of New Jersey-based Lucent Technologies.

Gov. Whitman is on the seventh day of a mission to Brazil, Chile and Argentina designed to enhance existing and identify new trade and investment opportunities for New Jersey companies.

The CARI is an academic institution, founded in 1978, to encourage the analysis of international affairs from a national perspective. Its main purpose is to strengthen peace and development through the establishment of close bonds and better mutual understanding among countries.

The Governor's speech reaffirmed New Jersey's commitment to the expansion of trade and investment opportunities for New Jersey companies saying that success in the global marketplace and growth of countries' economies demands that quality trade policy be fashioned and barriers to trade be jettisoned.

"Gov. Whitman's thinking on economic issues has always been global," said Gualberto "Gil" Medina, Chief Executive Officer & Secretary of the New Jersey Commerce & Economic Growth Commission, the state's lead economic development agency. "She is the architect of policies that have been the catalyst for the growth of New Jersey's economy by billions since 1993. That, in and of itself, lends to her tremendous credibility in the global trade dialogue."

At the inauguration ceremony for Murray Hill-based Lucent Technologies' new wireless technology laboratory, the Governor toured the new, state-of-art facility with Lucent executives.

Argentina is the headquarters of Lucent's Global Service Provider Group for the Southern Cone region, which encompasses Chile, Peru and Colombia. The new wireless technology laboratory is the first of its kind in Argentina and will allow for the testing of wireless network equipment with consideration to special market needs.

Lucent is a leading global provider of communications networking equipment. The company has rapidly expanded wireless equipment sales in Latin America, a region where cellular subscribers are

expected to quadruple from 20 million in 1998 to more than 80 million by 2005.

Gov. Whitman is leading the state's largest trade delegation on an 11-day trade and investment mission to South America. Argentina is one of three countries that Gov. Whitman is visiting as part of a trade mission to the MERCOSUR nations of Brazil, Argentina and Chile.

MERCOSUR is a customs union of Brazil, Argentina, Paraguay and Uruguay with two associate members, Chile and Bolivia. After the European Union and North American Free Trade Agreement (NAFTA), MERCOSUR is the world's third largest trading bloc according to the U.S. Department of Commerce. In 1998, New Jersey's exports to MERCOSUR totaled \$1 billion and accounted for about 14,000 jobs in New Jersey according to the U.S. Department of Commerce.

Argentina received \$201 million in New Jersey exports in 1998. Leading exports include chemicals and allied products (\$105.7million), instruments and related products (\$23.1 million) and industrial machinery and computer equipment (\$15.2 million).

New Jersey is the ninth largest exporting state, with nearly \$22 billion in goods and services exported. The Garden State is also the fifth leading state in foreign direct investment, hosting more than 1,200 foreign firms. New Jersey is the 8th largest state economy; if it were a country, New Jersey would have the 16th largest world economy.

**REMARKS OF  
GOVERNOR CHRISTINE TODD WHITMAN  
ARGENTINE COUNCIL FOR INTERNATIONAL RELATIONS (CARI)  
BUENOS AIRES, ARGENTINA  
FRIDAY, MARCH 19, 1999**

**"A Governor's Perspective: International Relations in the New Millennium"**

Thank you, President Muniz, for your very kind introduction.

I am also honored to become an honorary member of CARI. And I am especially pleased to have this membership bestowed upon me by someone who has devoted his life - as you have - to distinguished public service as an ambassador and statesman. Thank you, again.

Ambassador Roca, I am also very pleased that you are here today. And I want to prepare you for what you will hear in my remarks. I know that you served as ambassador to the U.S. during President Nixon's tenure in office. So some of what I say may have a familiar ring, because it reflects the views of someone whom I considered to be one of the world's foremost experts on foreign policy - President Nixon.

My thanks also to the members of CARI. You have made me very welcome in this beautiful city of Santa Maria del Buen Aire. And I appreciate this opportunity to address an organization that has, for more than 20 years, earned world renown for its dedication to pursuing peace and mutual understanding among all countries.

Today, more than ever before, we need your vision and guidance. We have lived through momentous changes.

Just a half-century ago, Winston Churchill warned that, "From Stettin in the Baltic to Trieste in the Adriatic, an Iron Curtain has descended over Europe."

When he made those remarks, it would have been inconceivable to imagine the collapse of Communism, the liberation of Eastern Europe, the disintegration of the Soviet Union, the unification of Germany, and the creation of the European Monetary Union.

We have also seen enormous technological changes revamp how we live, how we learn, and how we work. We face great challenges as we adjust to this new world of technology, not because of the technology itself, but because we must decide how a just society should share the benefits of the wealth that technology creates.

Our mission will be to work together to shape a strong, thoughtful approach to international relations in the 21st century. An approach that builds on democracy and free enterprise.

## **Globalization**

As we stand on the threshold of a new millennium, our world is shrinking fast. Three decades ago, we saw pictures of our earth for the first time in human history. Those photos from space showed us a precious blue orb surrounded by a thin layer of life-sustaining vapors.

Suddenly, we had a new image of our home. Once so large in our mind's eye, we now saw it as another planet floating in the darkness of our vast solar system.

That's how we must visualize what is happening in our world today: we are a small planet getting even smaller. Our world is now connected in ways previously unimagined.

Of course, "thinking globally" is a daunting task. We can write about our shrinking world, we can see it in pictures from space, and we can sense it through the technology that envelops us. But practically speaking, those of us struggling to understand globalization don't benefit from the astronaut's view of earth. We need to know more about what it means right here at ground level.

For example, Henry Kissinger has argued that the international system of the next century will be marked by a seeming contradiction: on one hand by fragmentation; on the other hand, by growing globalization.

As our earth and its five billion-plus inhabitants spin toward a new millennium, the economies of the world must react not only to this accelerating globalization but also to potentially destabilizing fragmentation.

First, we must react to the dizzying pace of technological change. We live in a time when a glitch in an online brokerage site like "E-Trade" can create worldwide disruptions in stock transactions.

Second, we must combat fragmentation by undertaking preventive diplomacy, settling regional disputes, containing war, and promoting peace and freedom.

As one observer put it, globalization is "arguably the most fundamental redesign of the planet's political and economic arrangements since the Industrial Revolution."

The global system is shaping our lives, changing our politics, and transforming our workplace. Global technologies can penetrate any village or neighborhood. Whether we are in Trenton, New Jersey or Buenos Aires, Argentina, we are involved in an unprecedented political and economic shift, and we must do our best to understand it.

Responsible Globality was the theme of this year's World Economic Forum, held in Davos, Switzerland in January. I arrived there on two good legs and - as you can see - returned on a pair of crutches.

Before my injury, I had many opportunities to hear and speak with world business, government, and media leaders.

From Vice President Al Gore, to United Nations Secretary General Kofi Annan, to South African President Nelson Mandela and German Chancellor Gerhard Schroeder, leaders from around the world discussed how to manage the implications of globalization.

As Klaus Schwab, president of the World Economic Forum, said: "we don't have yet the necessary structure and instruments to really deal with this. what we need is globalization with a human face."

For most of us, it's hard to think about a global system. It is hard enough to think about a city block, much less a planet. Add to this the realization that the problems confronting one nation today may be at another nation's doorstep tomorrow - or even tonight.

Today, the question isn't whether we choose to take part in this global economy. It's here to stay and it's impossible to reverse the technological progress that drives it.

Rather, the question becomes how we will manage what we put in place. How we will use the opportunities globalization offers us to shape our international relations and trade policies. How we will make globalization work for all of us.

### **Globalization and Foreign Policy**

In essence, because of globalization, we all have a large stake in the well-being of other nations. In our changing marketplace, where market fluctuations are felt worldwide, we can't afford to ignore our neighbors at home or abroad. It is in our best interest domestically to have well-considered foreign policy.

I believe that foreign policy has been one of the great strengths of U.S. leadership in the 20th century. As governor, I want to see a strong, independent U.S. presence in the world. Strength and independence helps us to advance peace and freedom in the world - and that is important to all of us.

We are faced with an increasing need to develop U.S. foreign policy that anticipates the growing tensions in our global village. This requires, in the words of former Secretary of Defense Donald Rumsfeld, "far-sighted American leadership, and good common sense."

The battle against violent forces of terrorism and repression must be waged with forethought and conviction. Whether it is a dispute in Kosovo, defiance in Iraq, or detonations of nuclear devices in India and Pakistan, we must be consistently attentive to the challenges we face around the world.

The United States must give foreign policy the thoughtful attention it deserves before our citizens suffer the consequences, along with citizens of nations around the world. We need a strong peacetime foreign policy.

As President Nixon wrote in his final book: "The ultimate test of a nation's character is not how it responds to adversity in war but how it meets the challenge of peace. Our future and the future of the world depend upon whether we can meet this challenge."

Nixon was right, of course. When it comes to the U.S., we must develop a consistent peacetime foreign policy that leaves no one wondering what we'll do next. In key areas, like the Middle East, we must present a focused approach that is committed to working for peace.

Moreover, we must remain on that path. We must set clear goals and explain them to Congress, to the country and to our neighbors around the world. And we must have the courage and perseverance to lead. Clearly, we need to restore a strong and independent American foreign policy, not because we like to flex our muscle, but because we want to advance peace and freedom in the world - because that matters to us.

What the U.S. does in foreign policy does make a difference.

### **Globalization and U.S. Governors**

Of course, I come before you today as a governor, not a President, an ambassador, or a member of Congress. I can give you my perspective on the world only through the experience and insights I have gained as the chief executive of the State of New Jersey. But a governor's perspective is becoming increasingly important as the United States moves forward into the new millennium.

Why? Because governors in the United States are playing a larger role in world commerce, and therefore must be a lot better informed on the state of the world. Governors must know their international trading partners as well as they know their own state's leaders in industry and commerce.

Governors owe it to themselves and the states they represent to be well-informed on the realities of the global economy. It's in our best interest to have a well-considered foreign policy - it affects our borders, our schools, and our ports.

State government is creating new opportunities for our businesses abroad and for foreign businesses to create jobs in our state. For example, the New Jersey economy now generates \$23 billion in manufactured exports annually and nearly \$27 billion in foreign direct investment. Almost 500,000 New Jersey jobs - and growing - are directly related to foreign trade.

South America is our third largest regional market and Argentina is our 23rd national market. Last year, Argentina purchased \$200 million of New Jersey's products.

Like many states, New Jersey has become aggressive in the world markets. We opened our first overseas office in Tokyo in 1987. Since then, we've added offices in England, Israel, and here in Argentina. And I have conducted trade missions to France, Canada, Israel, the United Kingdom, Mexico, and now South America.

Moreover, agreements such as NAFTA have opened new markets for our products. In my own state, NAFTA has resulted in a combined 21 percent increase in exports to Canada and Mexico.

However, NAFTA also provides an excellent example of the changing nature of global trade. As foreign markets unite, as they are here in South America, in Southeast Asia, and within the European Economic Community, we will be competing increasingly against regional economies - and that will mean changes in the way we do things.

There are those in the United States who see the global market as a threat. They point to the Asian economic crisis, or the Russian and Brazilian currency devaluation, and lead the call for isolationism, nativism, and unilateralism. But we should listen to the lessons of history and follow a policy of engagement.

I am reminded of an old saying, "You can't shut out the world without shutting yourself in." And New Jersey believes in opening its doors to the world.

Take Israel, for example. As our third largest trade partner, we exported almost \$1.4 billion in goods and services there last year, almost a 47 percent increase over 1997.

Our New Jersey - Israel Chamber of Commerce has worked closely with our Commerce and Economic Growth Commission to build solid business relationships that benefit both of our economies. And our economic ties with Israel have produced far greater human ties, of understanding and solidarity, between our two peoples.

Mexico is another example.

In 1998, total New Jersey exports to Mexico surpassed \$1.1 billion, more than what we sold to France and the United Kingdom combined. This was a 6.9 percent increase over 1997.

It's my belief that the best hope for peace and understanding is the ability of two great countries - like Mexico and the United States - to promote jobs and a better future for people on both sides of the border. It's a lot easier to live in harmony with another country when your brother or sister works in a factory across the border.

It's also my belief that New Jersey must continue - as we are doing here in Argentina and throughout South America - to develop letters of agreement about the kinds of ties that we are establishing. Here in Argentina, for example, those agreements will emphasize tourism, culture, education, and technology.

### **Globalization and the Future**

International trade and globalization can mean a great deal for the people of our respective countries. I have already mentioned the jobs that New Jersey has gained. Jobs are an obvious benefit.

But we must look at how we can make globalization work to everyone's advantage. We must balance the forces of the market and the needs of our own people.

It's difficult to doubt the new power of international market forces. Clive Cooke, in an Economist article entitled "The World Economy," writes that the optimists - and I count myself in this camp - see mostly gains in the triumph of international capitalism.

Optimists acknowledge that governments might lose some of the freedom they now have to direct their economies as they wish. But the return is a world that benefits from technological progress, unprecedented opportunities to relieve poverty, and more freedom for millions of people.

The more we can do legislatively to remove barriers to trade and economic prosperity, the more we can reach unprecedented levels of economic progress.

The more we can do to enhance the education of our children, the more we can reach new technological heights. In New Jersey, that means putting in place tough statewide academic standards to make certain that every student receives a quality education and gains the skills to succeed in college or the workforce.

The more we can do to reduce crime and ensure the well-being of our citizens, the more citizens will reap the benefits of a growing economy. In New Jersey, we have cut the crime rate to its lowest level in a quarter century. And I know that dealing with crime is a concern here in Argentina as well.

The more we reduce government bureaucracy and taxes, the more our citizens and businesses will have the resources to join in the global economy. In New Jersey, we have cut taxes 17 times in the last five years - and we are always looking to cut more.

Addressing trade barriers, education, crime, bureaucracy, and taxes will open the doors even wider to a geoeconomic system that works for all of us. As we strengthen our own nations and states, we position ourselves to take full advantage of international cooperation in the global marketplace.

Add to this solid leadership and a dose of good common sense, and you have all the ingredients we will need to succeed in the global system.

And we will succeed, because we - the people of the Americas - want to succeed.

We will succeed, because we - the leaders of the Americas - will guide our citizens along the way.

As President Nixon wrote: "government should reflect and draw upon their noblest aspirations, inspiring and sometimes goading them to the heights they are destined to achieve."

The people of the New Jersey welcome the opportunities that globalization provides. Most important, we welcome the opportunity to join with the people of Argentina - and all of South America - in building a global economy that will benefit not only the citizens of our two countries, but the world.

Thank you.

