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**SOCIETY OF BUSINESS EDITORS AND WRITERS
WASHINGTON MARRIOTT \ MAY 1, 1991 \ 12:15 P.M.**

**THANK YOU, JIM. IT'S ALSO GOOD TO SEE SANDY DUERR
[DEW-ERR], RANDY SMITH, AND SUSAN THOMSON.**

**GOOD AFTERNOON. IT'S PLEASURE TO MEET WITH YOU
TODAY -- I'VE BEEN LOOKING FORWARD TO THIS CHANCE TO
DISCUSS AN ISSUE OF IMPORTANCE TO ALL OF US: ECONOMIC
GROWTH IN AMERICA.**

- 2 -

**WHILE EXPERTS DISAGREE ABOUT THE LENGTH AND DEPTH
OF THE RECESSION, WE MUST COMMIT OURSELVES TO POLICIES
THAT WILL PROMOTE GROWTH AND PROSPERITY INTO THE NEXT
CENTURY. THIS ADMINISTRATION'S ECONOMIC GROWTH PACKAGE
-- INCLUDING OUR URGENT REQUEST TO EXTEND FAST-TRACK
TRADE PROCEDURES -- CAN DO JUST THAT. IT CAN SET US ON
A PATH TOWARD LONG-TERM, MARKET-DRIVEN ECONOMIC GROWTH.**

**OUR ADMINISTRATION'S GROWTH PACKAGE BEGINS WITH
CONTROL OF FEDERAL SPENDING.**

LAST YEAR'S CONTROVERSIAL BIPARTISAN BUDGET AGREEMENT FINALLY PUT THE FEDERAL GOVERNMENT ON A PAY-AS-YOU-GO DIET. IT CUT THE GROWTH OF FEDERAL DEBT OVER THE NEXT FIVE YEARS BY NEARLY \$500 BILLION. THAT EXTRA CAPITAL CAN HELP GENERATE NEW JOBS.

TO INCREASE PRIVATE SAVINGS AND INVESTMENT WE HAVE PROPOSED TAX-FREE FAMILY SAVINGS ACCOUNTS, AND PENALTY-FREE WITHDRAWALS FROM IRA'S FOR FIRST-TIME HOME BUYERS.

WE HAVE PROPOSED CUTTING THE TAX ON LONG-TERM CAPITAL GAINS. THAT WOULD REDUCE THE TAX CODE'S BIAS IN FAVOR OF DEBT; EXPAND INCENTIVES TO INVEST; GIVE HOPE TO THE SMALL ENTREPRENEUR WITH THE BIG IDEA; REINVIGORATE THE AMERICAN DREAM.

WE ALSO WANT TO TAKE ON THE PROBLEM OF EXCESSIVE REGULATION. WE ALL KNOW THE STRANGLING EFFECT THAT RED TAPE AND OVERREGULATION CAN HAVE ON BUSINESSES. EVERY TIME WE WRITE NEW LAWS, WE WRITE NEW REGULATIONS.

SOME OF THESE REGULATIONS ARE NEEDED. SOME ARE NOT. WE MUST REDOUBLE OUR EFFORTS TO FREE OUR PEOPLE FROM UNNECESSARY REGULATIONS.

THE COUNCIL ON COMPETITIVENESS, CHAIRED BY THE VICE PRESIDENT, REVIEWS ALL MAJOR NEW GOVERNMENT REGULATIONS TO ENSURE THAT REGULATORY BENEFITS OUTWEIGH THE BURDENS IMPOSED ON THE ECONOMY. THE COUNCIL WILL LOOK CAREFULLY AT EVERYTHING FROM THE NEW CLEAN AIR REGULATIONS TO WAYS OF APPROVING NEW BIOTECHNOLOGY PRODUCTS.

WE SHOULD NOT DENY PEOPLE THE BENEFITS THAT COME FROM PRODUCTS THAT IMPROVE -- OR EVEN SAVE -- LIVES.

WE'VE ALSO SENT TO THE HILL OUR FINANCIAL INDUSTRY REFORM BILL. OUR COMPREHENSIVE PACKAGE WILL PUT OUR FINANCIAL SERVICES SYSTEM ON A SOUND FOOTING, AND MODERNIZE OUR OUTDATED BANKING LAWS. WE'VE PROPOSED:
-- REFORMING THE MCFADDEN ACT. THIS MEANS LETTING FINANCIAL INSTITUTIONS COMPETE ACROSS STATE LINES.

-- REFORMING GLASS-STEAGLE. THIS WOULD LET BANKS OFFER A BROADER RANGE OF FINANCIAL SERVICES TO THEIR CUSTOMERS -- AND IN THE PROCESS TO COMPETE MORE EFFECTIVELY ON INTERNATIONAL MARKETS.

-- REFORMING DEPOSIT INSURANCE -- RETURN IT TO ITS ORIGINAL PURPOSE, WHICH WAS TO PROTECT AVERAGE DEPOSITORS.

-- STRENGTHENING BANK SUPERVISION, SO THAT WE MIGHT BE ABLE TO INTERVENE BEFORE BANKS FAIL.

IT'S TIME WE BROUGHT OUR BANKING SYSTEM INTO THE 21ST CENTURY -- SO THAT OUR BANKS CAN FUEL ECONOMIC GROWTH. BUT IN ORDER TO DO THAT, WE NEED COMPREHENSIVE REFORM -- NOT JUST A QUICK AND NARROW FIX.

THESE FORWARD-LOOKING PROPOSALS ARE ONLY ONE PART OF OUR VISION FOR A STRONG AND VIBRANT AMERICAN ECONOMY. OUR REQUEST TO EXTEND FAST-TRACK PROCEDURES LOOKS BEYOND OUR BORDERS -- TO THE INTERNATIONAL MARKET.

IN RECENT YEARS, TRADE HAS KEPT OUR ECONOMY GROWING. EXPORT BUSINESS ACCOUNTED FOR 84 PERCENT OF OUR ECONOMIC GROWTH LAST YEAR. THAT'S NOTHING NEW. MERCHANDISE EXPORTS HAVE RISEN 73 PERCENT IN THE LAST FOUR YEARS -- MORE THAN TWICE THE RATE OF IMPORT GROWTH.

RECENT, UNPARALLELED GROWTH IN WORLD TRADE HAS PRODUCED HUGE BENEFITS FOR US. OUR FREE TRADE AGREEMENT WITH CANADA HAS OPENED UP PREVIOUSLY CLOSED AGRICULTURAL MARKETS.

OUR AGRICULTURAL EXPORTS TO CANADA INCREASED 7 PERCENT DURING THE FIRST TWO YEARS OF THE AGREEMENT -- AND WE EXPECT THE GROWTH TO INTENSIFY AS THE AGREEMENT TAKES FULL EFFECT.

OUR TRADE STRATEGY IS SIMPLE: WE WANT TO BUILD ON THAT SUCCESS. THE UNITED STATES WILL CONTINUE TO LEAD THE WORLD TOWARD A SYSTEM OF FREE TRADE AND OPEN MARKETS.

THAT SYSTEM MAKES AMERICAN GENIUS AVAILABLE TO THE WHOLE WORLD -- AND GIVES AMERICANS ACCESS TO THE GOOD IDEAS AND GOOD PRODUCTS FROM ABROAD. TRADE MEANS ECONOMIC GROWTH AND JOBS FOR ALL AMERICANS.

THAT'S WHY EXTENSION OF OUR "FAST TRACK" PROCEDURES IN TRADE NEGOTIATIONS IS SO CRUCIAL. FAST TRACK LETS US OPEN UP NEW MARKETS, NEW OPPORTUNITIES.

FAST TRACK REALLY IS ANOTHER TERM FOR "GOOD FAITH."

IT MEANS THAT WE WILL CONSULT CLOSELY WITH CONGRESS AND THE PRIVATE SECTOR DURING TRADE TALKS. IT MEANS THAT WE WILL NOT TINKER WITH TRADE AGREEMENTS WORKED OUT BY OUR NEGOTIATORS AND THEIR FOREIGN COUNTERPARTS.

IT GIVES EVERYONE A FAIR SAY IN TRADE TALKS. IT DOES NOT TAKE AWAY CONGRESS' POWER TO REVIEW TRADE AGREEMENTS. CONGRESS WILL HAVE ITS SAY.

IT WILL HAVE A FINAL VOTE ON ACCEPTING OR REJECTING AGREEMENTS AS WRITTEN, AND IT WILL CONDUCT THAT VOTE WITHIN A REASONABLE PERIOD OF TIME.

IT GIVES THE AMERICAN PEOPLE A FAIR SAY. WE WILL TAKE ALL THE TIME NECESSARY TO ADDRESS THE ISSUES THAT CONCERN AMERICANS.

FAST TRACK LETS US TREAT OUR FOREIGN COUNTERPARTS FAIRLY.

IT PROMISES THAT WE WILL NOT ATTACH AMENDMENTS OR MAKE CHANGES, SINCE TO DO SO COULD FORCE NEGOTIATORS TO CALL OFF TALKS OR START AGAIN FROM SQUARE ONE.

OUR TRADING PARTNERS CONSIDER FAST-TRACK AN ESSENTIAL INGREDIENT FOR SUCCESSFUL TRADE TALKS. WE HAVE HAD FAST TRACK AUTHORITY SINCE 1974, AND WE WILL NEED TO KEEP IT IF WE HOPE TO PURSUE VITAL TRADE AGREEMENTS -- THE URUGUAY ROUND OF THE GATT TALKS, THE NORTH AMERICAN FREE TRADE AGREEMENT AND THE ENTERPRISE FOR THE AMERICAS INITIATIVE.

WITHOUT FAST TRACK, WE JEOPARDIZE THOSE AGREEMENTS. WE JEOPARDIZE TRADE. WE JEOPARDIZE AMERICAN JOBS.

RIGHT NOW, WE HAVE THE CHANCE TO LOOK FORWARD, TO EXPAND ECONOMIC GROWTH AND OPPORTUNITY FROM THE YUKON TO THE YUCATAN. THE NORTH AMERICAN FREE TRADE AGREEMENT WITH CANADA, OUR LARGEST TRADING PARTNER, AND MEXICO, OUR THIRD LARGEST PARTNER, WOULD CREATE THE LARGEST, RICHEST MARKET IN THE WORLD.

THINK ABOUT IT: 360 MILLION CONSUMERS AND \$6 TRILLION IN ANNUAL OUTPUT. A UNIFIED NORTH AMERICAN MARKET WOULD LET EACH OF OUR COUNTRIES BUILD ON OUR STRENGTHS. IT WOULD PROVIDE MORE AND BETTER JOBS FOR U.S. WORKERS. IT WOULD STIMULATE PRICE COMPETITION, LOWER CONSUMER PRICES, IMPROVE PRODUCT QUALITY. THE AGREEMENT WOULD MAKE NECESSITIES SUCH AS FOOD AND CLOTHING MORE AFFORDABLE, AND MORE AVAILABLE TO OUR POOREST CITIZENS. IT WOULD RAISE PRODUCTIVITY AND PRODUCE A HIGHER STANDARD OF LIVING THROUGHOUT THE CONTINENT.

AND THE RESULTING ECONOMIC INTEGRATION WILL STRENGTHEN AMERICAN BUSINESSES IN THE GLOBAL MARKETPLACE.

LET ME ILLUSTRATE THE STAKES INVOLVED IN THE FAST-TRACK DEBATE BY DISCUSSING THE MEXICAN COMPONENT OF THE NORTH AMERICAN FREE TRADE AGREEMENT. TRADE WITH MEXICO HAS HELPED BOTH OUR COUNTRIES. JUST FOUR YEARS AGO, WE HAD A \$4.9 BILLION TRADE DEFICIT WITH MEXICO. SINCE THEN, MEXICAN PRESIDENT CARLOS SALINAS HAS SLASHED TARIFF RATES.

OUR EXPORTS TO MEXICO HAVE INCREASED NEARLY 130 PERCENT -- TO \$28 BILLION -- AND OUR TRADE DEFICIT HAS SHRUNK TWO-THIRDS, TO \$1.8 BILLION.

THIS EXPORT BOOM HAS CREATED AN ESTIMATED 264,000 NEW JOBS IN THE UNITED STATES. AND EACH ADDITIONAL BILLION DOLLARS IN EXPORTS CREATES NEARLY 20,000 NEW JOBS HERE IN THE UNITED STATES.

MEANWHILE, THE TRADE BOOM HAS OFFERED NEW OPPORTUNITIES FOR MEXICAN WORKERS, HAS OFFERED PROSPERITY TO THOSE WHO BEFORE HAD LIVED IN SQUALOR.

SOME PEOPLE ARE CONCERNED ABOUT OUR NEGOTIATIONS WITH MEXICO. JUST THIS MORNING, I SENT A DETAILED REPORT TO CHAIRMEN BENTSEN AND ROSTENKOWSKI AND MAJORITY LEADER GEPHARDT WHICH, I BELIEVE, RESPONDED TO THOSE CONCERNS. I GAVE THEM MY PERSONAL COMMITMENT TO CLOSE BIPARTISAN COOPERATION IN THE NEGOTIATIONS.

WHILE ECONOMIC STUDIES SHOW THAT A FREE TRADE AGREEMENT WOULD PRODUCE JOBS IN THE UNITED STATES -- AS WELL AS GREATER EXPORTS AND OUTPUT -- I KNOW THERE IS CONCERN ON CAPITOL HILL ABOUT SOME JOB LOSSES. OUR NEGOTIATORS WILL ADDRESS THESE CONCERNS IN PROVISIONS OF THE NORTH AMERICAN FREE TRADE AGREEMENT. WE WILL ENSURE AN ADEQUATE TRANSITION PERIOD FOR WORKERS IN IMPORT-SENSITIVE INDUSTRIES.

WE WILL WORK WITH CONGRESS TO SEE THAT DISLOCATED WORKERS RECEIVE PROPER ASSISTANCE AND RETRAINING.

AT THE SAME TIME, IT IS WORTH NOTING THAT THE AGREEMENT WILL CREATE HIGH-WAGE, HIGH-SKILL MANUFACTURING JOBS IN THE MACHINERY, COMPUTER, TELECOMMUNICATIONS AND ELECTRONICS INDUSTRIES. AS MEXICO DEVELOPS FURTHER, IT WILL NEED EVEN MORE OF THESE HIGH-TECH GOODS AND SERVICES. THOSE GOODS AND SERVICES ARE MORE LIKELY TO COME FROM THE UNITED STATES THAN FROM ANYONE ELSE IN THE WORLD.

SECONDLY, PRESIDENT SALINAS AND THE MEXICAN PEOPLE HAVE NO INTEREST IN ALLOWING THEIR COUNTRY TO BECOME A POLLUTION HAVEN FOR U.S. COMPANIES. BECAUSE ECONOMIC GROWTH GOES HAND IN HAND WITH ENVIRONMENTAL PROTECTION, WE WILL EXPAND ENVIRONMENTAL COOPERATION PROGRAMS PARALLEL TO THE FREE TRADE TALKS.

AND FINALLY, PRESIDENT SALINAS HAS ALSO MADE IT CLEAR THAT THIS AGREEMENT WILL IMPROVE OPPORTUNITIES FOR MEXICAN WORKING PEOPLE.

MEXICO HAS STRONG LAWS REGULATING LABOR STANDARDS AND WORKERS RIGHTS. BEYOND THOSE, WE WILL ALSO BEGIN NEW INITIATIVES TO EXPAND LABOR COOPERATION BETWEEN OUR TWO COUNTRIES.

NONE OF THESE THINGS WILL HAPPEN, HOWEVER, IF WE CANNOT BARGAIN IN GOOD FAITH -- IF THE FAST TRACK PROCEDURES WE HAVE EMPLOYED FOR 17 YEARS SUDDENLY ARE WITHDRAWN OR WEAKENED. THE UNITED STATES MUST CONTINUE TO OPEN NEW MARKETS, CREATE NEW TECHNOLOGIES, AND SEIZE NEW OPPORTUNITIES BEFORE US.

I AM CONFIDENT -- AND SO ARE THE AMERICAN PEOPLE -- THAT WE CAN AND WILL PREVAIL IN THIS EXCITING AND CHALLENGING WORLD. AND I AM CONFIDENT THAT AS WE HEAD INTO THE NEXT CENTURY -- THE NEXT AMERICAN CENTURY -- A STRONG AND HEALTHY AMERICA THAT WILL LEAD THE WAY.

GOD BLESS YOU ALL AND THANK YOU. I BELIEVE I NOW HAVE TIME FOR TWO QUESTIONS.

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THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED FOR RELEASE
UNTIL 12:20 P.M. EDT
WEDNESDAY, MAY 1, 1991

TEXT OF REMARKS BY THE PRESIDENT
AT THE ANNUAL CONVENTION OF THE SOCIETY OF
AMERICAN BUSINESS EDITORS AND WRITERS

Washington Marriott Hotel
Washington, DC

May 1, 1991

It's pleasure to meet with you today. I've been looking forward to this chance to discuss an issue of importance to all of us: economic growth in America.

While experts disagree about the length and depth of the recession, we must commit ourselves to policies that will promote growth and prosperity into the next century. This Administration's economic growth package, including our urgent request to extend fast-track trade procedures, can do just that. It can set us on a path toward long-term, market-driven economic growth.

Our Administration's growth package begins with control of Federal spending. Last year's controversial bipartisan budget agreement finally put the Federal Government on a pay-as-you-go diet. It cut the growth of Federal debt over the next five years by nearly \$500 billion. That extra capital can help generate new jobs.

To increase private savings and investment, we have proposed tax-free family savings accounts, and penalty-free withdrawals from IRA's for first-time home buyers. We have proposed cutting the tax on long-term capital gains. That would reduce the tax code's bias in favor of debt; expand incentives to invest; give hope to the small entrepreneur with the big idea; reinvigorate the American dream.

We also want to take on the problem of excessive regulation. We all know the strangling effect that red tape and overregulation can have on businesses. Every time we write new laws, we write new regulations. Some of these regulations are needed. Some are not. We must redouble our efforts to free our people from unnecessary regulations.

The Council on Competitiveness, chaired by the Vice President, reviews all major new government regulations to ensure that regulatory benefits outweigh the burdens imposed on the economy. The Council will look carefully at everything from the new Clean Air regulations to ways of approving new biotechnology products. We should not deny people the benefits that come from products that improve or even save lives.

We've also sent to the Hill our financial industry reform bill. Our comprehensive package will put our financial services system on a sound footing, and modernize our outdated banking laws. We've proposed:

- Reforming the McFadden Act. This means letting financial institutions compete across state lines.
- Reforming Glass-Steagle. This would let banks offer a broader range of financial services to their customers -- and in the process to compete more effectively on international markets.
- Reforming deposit insurance -- return it to its original purpose, which was to protect average depositors.
- Strengthening bank supervision, so that we might be able to intervene before banks fail.

It's time we brought our banking system into the 21st Century so that our banks can fuel economic growth. But in order to do that, we need comprehensive reform, not just a quick and narrow fix.

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. Our request to extend fast-track procedures looks beyond our borders to the international market.

In recent years, trade has kept our economy growing. Export business accounted for 84 percent of our economic growth last year. That's nothing new. Merchandise exports have risen 73 percent in the last four years -- more than twice the rate of import growth.

Recent, unparalleled growth in world trade has produced huge benefits for us. Our Free Trade Agreement with Canada has opened up previously closed agricultural markets. Our agricultural exports to Canada increased 7 percent during the first two years of the agreement, and we expect the growth to intensify as the agreement takes full effect.

Our trade strategy is simple: We want to build on that success. The United States will continue to lead the world toward a system of free trade and open markets. That system makes American genius available to the whole world and gives Americans access to the good ideas and good products from abroad. Trade means economic growth and jobs for all Americans.

That's why extension of our fast track procedures in trade negotiations is so crucial. Fast track lets us open up new markets, new opportunities.

Fast track really is another term for "good faith." It means that we will consult closely with Congress and the private sector during trade talks. It means that we will not tinker with trade agreements worked out by our negotiators and their foreign counterparts.

It gives everyone a fair say in trade talks. It does not take away Congress' power to review trade agreements. Congress will have its say. It will have a final vote on accepting or rejecting agreements as written, and it will conduct that vote within a reasonable period of time.

It gives the American people a fair say. We will take all the time necessary to address the issues that concern Americans.

Fast track lets us treat our foreign counterparts fairly. It promises that we will not attach amendments or make changes, since to do so could force negotiators to call off talks or start again from square one.

Our trading partners consider fast track an essential ingredient for successful trade talks. We have had fast track authority since 1974, and we will need to keep it if we hope to pursue vital trade agreements -- the Uruguay Round of the GATT talks, the North American Free Trade Agreement and the Enterprise for the Americas Initiative. Without fast track, we jeopardize those agreements. We jeopardize trade. We jeopardize American jobs.

Right now, we have the chance to look forward, to expand economic growth and opportunity from the Yukon to the Yucatan. The North American Free Trade Agreement with Canada, our largest trading partner, and Mexico, our third largest partner, would create the largest, richest market in the world. Think about it: 360 million consumers and \$6 trillion in annual output.

A unified North American market would let each of our countries build on our strengths. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable and more available to our poorest citizens. It would raise productivity and produce a higher standard of living throughout the continent. And the resulting economic integration will strengthen American businesses in the global marketplace.

Let me illustrate the stakes involved in the fast track debate by discussing the Mexican component of the North American Free Trade Agreement. Trade with Mexico has helped both our countries. Just four years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, Mexican President Carlos Salinas has slashed tariff rates. Our exports to Mexico have increased nearly 130 percent -- to \$28 billion -- and our trade deficit has shrunk two-thirds -- to \$1.8 billion.

This export boom has created an estimated 264,000 new jobs in the United States. And each additional billion dollars in exports creates nearly 20,000 new jobs here in the United States.

Meanwhile, the trade boom has offered new opportunities for Mexican workers, has offered prosperity to those who before had lived in squalor.

Some people are concerned about our negotiations with Mexico. Just this morning, I sent a detailed report to Chairman Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to those concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

While economic studies show that a free trade agreement would produce jobs in the United States, as well as greater exports and output, I know there is concern on Capitol Hill about some job losses. Our negotiators will address these concerns in provisions of the North American Free Trade Agreement. We will ensure an adequate transition period for workers in import-sensitive industries. We will work with Congress to see that dislocated workers receive proper assistance and retraining.

At the same time, it is worth noting that the agreement will create high-wage, high-skill manufacturing jobs in the machinery, computer, telecommunications and electronics industries. As Mexico develops further, it will need even more of these high-tech goods and services. Those goods and services are more likely to come from the United States than from anyone else in the world.

Secondly, President Salinas and the Mexican people have no interest in allowing their country to become a pollution haven for U.S. companies. Because economic growth goes hand in hand with environmental protection, we will expand environmental cooperation programs parallel to the free trade talks.

And finally, President Salinas has also made it clear that this agreement will improve opportunities for Mexican working people. Mexico has strong laws regulating labor standards and workers' rights. Beyond those, we will also begin new initiatives to expand labor cooperation between our two countries.

None of these things will happen, however, if we cannot bargain in good faith -- if the fast track procedures we have employed for 17 years suddenly are withdrawn or weakened. The United States must continue to open new markets, create new technologies and seize new opportunities before us. I am confident, and so are the American people, that we can and will prevail in this exciting and challenging world. And I am confident that as we head into the next century -- the next American Century -- a strong and healthy America will lead the way.

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Larry Lindsey

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

April 9, 1991

THE PRESIDENT'S ECONOMIC GROWTH AGENDA

FACT SHEET

The President believes that a strong, growing, and dynamic economy enhances job creation and opportunity for all Americans. The Administration is pursuing an economic growth agenda built around four principles:

- Encouraging Savings and Investment
- Opening New Opportunities in International Markets
- Promoting an Educated and Dynamic Workforce
- Reducing the Burden of Government Regulation

I. ENCOURAGING SAVINGS AND INVESTMENT

The President is committed to creating conditions that foster long-term, market-driven economic growth. The Administration is taking important steps to lower the cost of capital and to encourage entrepreneurship, savings, investment, and innovation. The President is pursuing policies that will lower the barriers to the formation of productive capital and ensure that our physical, human, and technological infrastructure remains the finest in the world.

A. Reducing the Cost of Capital

Controlling Government Borrowing

The President is committed to controlling Federal government spending. Last year's budget agreement will decrease the Federal government's borrowing requirements by nearly \$500 billion over the next five years. The agreement's spending caps set limits for discretionary spending while a pay-as-you-go system will force new mandatory spending to be offset by revenue increases or reductions in other programs.

Increasing Private Savings and Investment in the Economy

The President has repeatedly called for a reduction in the capital gains tax rate and has asked Federal Reserve Chairman Alan Greenspan to lead a technical study of the economic effects of the capital gains reduction.

The Administration's Fiscal Year 1992 Budget also includes proposals for Family Savings Accounts which will create needed incentives to save and penalty-free IRA withdrawals for first-time home buyers.

Encouraging an Innovative and Sound Financial System

The Administration's financial industry reform package will help ensure the continued strength of our Nation's financial system. Comprehensive banking reform will modernize our outdated banking laws, protect taxpayers and depositors, help alleviate tight credit conditions, and make our financial institutions more competitive at home and abroad.

B. Investing in Infrastructure and Research and Development

Revitalizing our Transportation Infrastructure

The Administration is proposing a significant increase in Federal highway spending, from \$14.6 billion in 1991 budget authority to \$20.3 billion in 1996. On a cumulative basis, almost \$88 billion will be provided for highway construction and rehabilitation over the next five years. The Administration is also proposing a 17 percent increase in budget authority for our Nation's aviation systems.

Expanding Research and Development

The President's FY 1992 budget includes \$76 billion for research and development, an \$8.4 billion (13 percent) increase over 1991 levels. To encourage private sector R&D, the President supports the permanent extension of the Research and Experimentation Tax Credit.

Implementing the National Energy Strategy

The President transmitted his National Energy Strategy to the Congress in February. The Strategy is a comprehensive and balanced plan for a secure,

efficient, and environmentally sound energy future. Over the next two decades, the Strategy will remove unnecessary barriers to market forces so that ample supplies of affordable energy can continue to foster economic growth.

II. OPENING NEW OPPORTUNITIES IN INTERNATIONAL MARKETS

Throughout the postwar period, the United States has led the world toward a system of free trade and open markets. The benefits of global economic integration and expanded international trade have been enormous, at home and abroad. The President and his Administration are aggressively working with the Congress to remove the remaining barriers to international trade and investment in our own hemisphere and throughout the world. Today, America is in the midst of an export boom. Merchandise exports have risen 55 percent in the last 4 years -- twice as fast as imports. Continuation of fast track authority for congressional approval of trade agreements is crucial to the President's trade strategy.

A. Successfully Concluding the Uruguay Round Negotiations

The President's top trade priority remains the Uruguay Round negotiations of the General Agreement on Tariffs and Trade. Success in the Uruguay Round will open agricultural markets, lower or eliminate tariffs on many products, strengthen the GATT system, and extend it to cover important new areas -- such as services, investment and intellectual property -- critical to U.S. economic vitality. A strong multilateral trading system is essential to America's economic future, since it assures our businesses access to growth markets in Europe and Asia.

B. North American Free Trade Agreement

The President has committed with Mexican President Salinas and Canadian Prime Minister Mulroney to negotiate a North American Free Trade Agreement (NAFTA). Creation of a NAFTA, with a market of some 360 million consumers and total output of \$6 trillion, would be a catalyst for economic growth and development throughout the three countries.

The U.S.-Canada Free Trade Agreement has contributed to growth in both economies in its first two years.

Bilateral trade increased approximately nine percent from 1988 to 1989 and 4.2 percent from 1989 to 1990 despite a slowdown in both economies.

C. Advancing the Enterprise for the Americas Initiative

The Enterprise for the Americas Initiative promises to fuel growth and prosperity throughout this hemisphere by removing barriers to trade and investment. This Initiative also aims to provide official debt reduction to countries engaged in significant economic reforms and thereby to build on the Administration's ongoing support for commercial debt reduction. Restoring Economic growth in Latin America will boost U.S. trade, since the region is a natural market for American goods, services, and investment.

D. Challenging Unfair Trade Barriers

The Administration is pursuing numerous bilateral initiatives aimed at persuading foreign governments to open their markets and remove unfair barriers to American goods, services, and investment. In addition, the Administration is involved in ongoing bilateral negotiations with Japan to identify and eliminate structural factors that may impede balance of payments adjustment and efficient patterns of world trade. Our policy is to address trade concerns by opening foreign markets, not by closing our own.

E. Promoting the Nation's Exports

The President is committed to building on these market-opening initiatives by expanding the nation's exports, a major source of growth in recent years. The Trade Promotion Coordinating Committee has for the first time brought together the resources of eighteen Federal agencies to provide one-stop shopping to U.S. businesses seeking help in exporting. As part of this effort, the Department of Commerce is sponsoring a series of seminars across the country to help prospective exporters expand overseas sales.

III. PROMOTING AN EDUCATED AND DYNAMIC WORKFORCE

The President believes that long-term economic growth requires skilled and adaptable workers as well as modern capital and new technology. The Administration is taking important steps to ensure that American workers are well-educated and highly-skilled and that U.S. labor markets remain the world's most dynamic and flexible.

A. Restructuring the Education System

The President is committed to educational excellence for all Americans. He has advocated choice in education, increased flexibility in education-related funding in exchange for greater accountability, alternative certification for teachers and principals, rewards for outstanding teachers and for schools that improve their students' achievements, and innovative approaches to mathematics and science education. In partnership with the Nation's governors, the Administration is working to determine how best to measure and monitor progress toward the national education goals. The President will soon propose a new Educational Excellence Act with additional initiatives.

B. Maintaining Flexible Labor Markets

The President has taken a number of steps to preserve the dynamism which is the hallmark of U.S. labor markets. He has continued to oppose mandated employer benefits which will reduce the options available to employees and slow down job growth in the economy. The President supports flexible benefit packages, negotiated between employers and employees.

The President opposes recent efforts to undermine more than fifty years of balance in labor/management relations. He objects to current Striker Replacement Legislation that would prohibit employers' ability to continue operations during labor disputes through the use of permanent replacement workers. Cooperation, not confrontation, is the key to international competitiveness.

The Immigration Act of 1990, the first major reform of legal immigration in a quarter-century, will substantially increase the overall level of immigration, particularly of skilled workers. These new workers will contribute to U.S. economic growth.

C. Improving our Job Training Efforts

The President proposed amendments to the Job Training Partnership Act (JTPA) which would have targeted job training efforts toward severely disadvantaged adult and youth workers. In an effort to reach youth in poverty stricken inner-city neighborhoods and rural communities, a new Youth Opportunities Unlimited (YOU) Program was proposed for certain high-poverty areas. In addition, the Job Opportunities and Basic Skills Program (JOBS) allows the states flexibility in providing Aid to Families with Dependent Children (AFDC) recipients help in acquiring needed job skills. The Administration currently is preparing a JTPA bill to transmit to the 102nd Congress.

IV. REDUCING THE BURDEN OF GOVERNMENT REGULATION

The remarkable flexibility of the U.S. economy, which stems from its reliance on free markets, is a major national asset. Government regulations generally reduce economic flexibility and thus should have a very limited role. Where regulation is necessary, regulatory programs should pass strict cost-benefit tests and should seek to harness the power of market forces to serve the public interest, not to distort or diminish those forces.

A. Council on Competitiveness Deregulation Task Force

The Vice President's Council on Competitiveness has formed a task force to study deregulation's effect on the U.S. economy. This task force will examine the Federal government's role in the marketplace by studying the history and costs and benefits of regulations on a wide variety of industries: transportation, communications, energy and financial services.

B. Biotechnology

The Vice President's Council on Competitiveness recently released the Report on National Biotechnology Policy outlining the Administration's commitment to free market development of biotechnology products. The Report makes 15 recommendations within three broad policy areas: investing in science and technology; risk-based regulation; and a free market environment providing

capital and financial resources and protecting intellectual property rights.

C. Joint Production Ventures

The Economic Policy Council has developed a proposal which would encourage manufacturing consortia and joint ventures among industrial competitors. Currently, antitrust laws inhibit such ventures due to uncertainties regarding the risk of prosecution and private lawsuits. The current proposals would require the Justice Department and courts to consider global competition when deliberating antitrust issues.

D. Drug Approval Process Working Group

The working group has been assembled to review the FDA's drug approval process and propose operational or structural changes. This is an effort to create a more time-conscious and efficient process, especially with respect to experimental drugs, without increasing risk. Further, the group will review the condition of the U.S. pharmaceutical industry and suggest options for maintaining its health and competitive position.

E. Telecommunications

Estimates reveal deregulation in the telecommunications industry may save the U.S. economy \$45 billion per year. Despite its aggressively dynamic nature the structure, conduct and performance of this industry is still largely determined by legal and regulatory decisions and restraints. Telecommunications is critical to our nation's economic future. Unnecessary barriers and regulation must be eliminated and our regulatory policies must be balanced and market based.

cc

THE WHITE HOUSE
WASHINGTON

Sandy Doerr

Bus. Eds.

The 4 people you
asked about will
be on stage.

6:36 pm

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 19, 1991

EXTENSION OF FAST TRACK AUTHORITY

FACT SHEET

FAST TRACK PROCEDURES

Historical Background to the Fast Track

- o For the better part of this century, the Congress and the Executive have recognized that the negotiation and implementation of trade agreements require special cooperation.
- o In the aftermath of the record-high rates of the Smoot-Hawley Tariff Act of 1930 and the Depression they helped fuel, both the Congress and the Executive branch recognized that only by working closely together could the two branches effectively bring down barriers to our foreign trade and open international markets for U.S. products and services.
- o This new partnership was reflected in the Reciprocal Trade Agreements Act of 1934, which gave the President authority not only to conclude tariff-cutting agreements but also to implement them without the need for subsequent legislation.
- o As countries began to rely less on tariff protection and more on non-tariff trade barriers, the scope of trade negotiations broadened, and the "fast-track" procedures were created by the Congress as the necessary complement to this broader trade agenda.
- o Fast track procedures for approval of trade agreements were included by the Congress in trade legislation in 1974, 1979, and again in the 1988 Trade Act.

Fast Track is Essential to Successful Trade Negotiations

- o While assuring the Congress meaningful participation throughout the negotiation process, fast track provides two guarantees essential to the successful negotiation of trade agreements: (1) a vote on implementing legislation within a fixed period of time, and (2) no amendments to that legislation.

- o These procedures reflect the understanding that trade agreements, in which results in one area are often linked to results in others, are particularly vulnerable to multiple amendments that, while possibly small in themselves, could unravel entire agreements.
- o Whether the balance of benefits contained in any trade agreement is in the overall interest of the United States can only be determined by looking at the whole package.
- o Through the fast track, the Congress gave the President the same bargaining power possessed by his counterparts: the ability to ensure that the agreement reached internationally would be the agreement voted on at home.
- o Without fast track, the President cannot assure our negotiating partners that the deal they strike is the deal that will be voted on by the Congress.
- o Without that assurance, foreign governments are reluctant to negotiate with the United States and will not make the tough concessions necessary to reach agreements the United States would be willing to sign. No trading partner will give its bottom line knowing that the bargain could be reopened.
- o Using fast track, the United States has negotiated and implemented three remarkable agreements that were each approved by an overwhelming majority in both Houses of the Congress. These agreements -- the results of the Tokyo Round in 1979, the Free Trade Agreement with Israel in 1985, and the Free Trade Agreement with Canada in 1988 -- have reduced barriers to trade and contributed to growth in the United States and worldwide.
- o The United States has much to gain from trade agreements that open markets and provide rules for free and fair trade. Maintaining the fast track will preserve our ability to continue our efforts to liberalize trade and open markets through the General Agreement on Tariffs and Trade, through other multilateral agreements and through bilateral agreements.

The Congress is an Essential Part of the Fast Track Process

- o Fast track procedures preserve the role of the Congress during the negotiation, approval, and implementation of trade agreements.
- o To ensure congressional and private sector input, the fast track statute contains extensive notification and consultation requirements. At each step along the way, from

TOKYO Rd
FTA - Israel
Canada

initiation through implementation, the Congress is an active partner.

- o To use the fast track for any agreement, bilateral or multilateral, the President must notify the Congress 90 calendar days before signature. By the time the President gives his 90-day notification, our many private sector advisory committees must report their views on the agreement both to the Congress and to the President. For bilateral agreements, the Congress must be given advance notice of the negotiations; during the following 60 legislative working days, either the Senate Finance or House Ways and Means Committee can vote to deny fast track treatment.
- o Once an agreement is reached, the Congress and the Administration work in close consultation to formulate implementing legislation. The process has involved the full participation of all committees of jurisdiction, not only those committees traditionally consulted in setting trade negotiating objectives. If the agreement and its implementing legislation are still not acceptable, they can be rejected by a majority vote of either House.
- o We are today engaged in bilateral and multilateral trade initiatives that hold unprecedented promise for the advancement of U.S. economic objectives. With such initiatives in train, it is clearly in the national interest to continue a partnership that has proved its worth for almost 60 years.

Use of Fast Track if Extended

- o In incorporating the fast track in the 1988 Trade Act, the Congress expressly contemplated that an extension might be necessary and appropriate in order for the President to pursue effectively the trade policy goals set out in the law.
- o If extended, the fast track would be available until June 1, 1993, and would be used to implement trade initiatives such as completing the Uruguay Round, negotiating a North America Free Trade Agreement (NAFTA) with Mexico and Canada, and pursuing the trade objectives of the Enterprise for the Americas Initiative.
- o Supporting fast track will allow these important initiatives to go forward without in any way detracting from the ability of the Congress to assess each agreement on its merits when presented for approval.

A Vote Against Fast Track Denies Fast Track for all Agreements

- o Current fast track authority would have expired on June 1 if the President had not requested an extension by March 1. The requested extension is granted automatically unless either house passes a statutorily prescribed disapproval resolution before June 1.
- o The language of the disapproval resolution, which is set out in the statute, makes clear that disapproval eliminates all fast track authority, multilateral and bilateral.
- o The disapproval resolution cannot be amended to eliminate fast track for some agreements but not others because the resolution itself cannot be amended. It is not possible, for example, to vote against the fast track for the Uruguay Round agreements but preserve it for the NAFTA.
- o If a disapproval resolution is passed by either House, the fast track is gone for all purposes, and the President's ability to successfully negotiate any trade agreement requiring congressional approval, bilateral or multilateral, is severely crippled if not eliminated entirely.
- o Simply put, a vote against fast track is a vote against trade.

Continuing Fast Track is Essential to Securing Economic Gains

- o As the world's largest trader, the United States has an enormous stake in the future of the global trading system. Exports have become a vital source of strength to the U.S. economy. In 1990, the nearly 8.5 percent growth in U.S. exports accounted for 88 percent of U.S. economic growth.
- o In order to sustain the expansion of exports and consequent growth, we must continue our efforts to open world markets. We must maintain our active leadership role. Without an extension of fast track, those efforts are futile.
- o Maintaining fast track procedures -- and the partnership between the Congress and the executive branch that fast track represents -- will keep on course our joint efforts to liberalize trade and open markets through the GATT, through other multilateral agreements, and through bilateral agreements. No country stands more to gain from those efforts than the United States.
- o As we approach the beginning of a new century, we should not hesitate to pursue the opportunities for expanded economic growth and prosperity presented by successful trade negotiations.

- o In order to turn those opportunities into realities, the Congress and the Executive must continue to work together in the manner envisioned by the fast track.

THE IMPORTANCE AND BENEFITS OF THE URUGUAY ROUND

Uruguay Round is the Most Ambitious of Trade Negotiations to Date

- o The world trading system is now vastly more complex than it was when the GATT was written in 1947. Over one-third of world trade, more than \$1 trillion, is inadequately covered by international trade rules.
- o The Uruguay Round negotiations -- in which 108 countries participate -- are an ambitious effort to strengthen and expand the global trading system as well as to further lower trade barriers. Launched in 1986 in Punta del Este, Uruguay, these negotiations are the eighth round of multilateral trade negotiations conducted under the auspices of GATT.
- o The United States led the call for the far-reaching agenda of issues in the Uruguay Round. The Congress established objectives for the Uruguay Round in the Omnibus Trade and Competitiveness Act, passed in August of 1988.
- o The negotiating agenda runs the gamut of U.S. interests, both in opening world markets and in establishing internal rules of fair play in areas vital to U.S. competitiveness -- services, investment, agriculture, and intellectual property. The negotiations fall into four broad categories:
 - market access (tariffs and non-tariff measures, natural resource-based products, tropical products, and textiles);
 - the "new" areas of services, trade-related intellectual property rights (TRIPs), and trade-related investment measures (TRIMs);
 - agriculture; and
 - GATT rules (dispute settlement, safeguards, GATT Articles including balance of payments reform, and the non-tariff measure codes, including subsidies and antidumping).
- o Moreover, unlike previous GATT negotiating rounds, developing countries are active participants in every aspect of the negotiations.

The Administration is Committed to Ensuring that the Uruguay Round Results in Agreements that Truly Meet U.S. Objectives

- o This resolve was demonstrated at Brussels in December 1990. The U.S. delegation and other important delegations determined that it was preferable to end the ministerial meeting without result rather than to lower ambitions and accept minimal Uruguay Round agreements.
- o The negotiations formally resumed in all areas on February 26, 1991, when a framework to negotiate agricultural reform was reached. The exact pace of negotiations will depend on how quickly we are able to reach an acceptable solution on agriculture.
- o The Administration is not prepared to accept an inadequate agreement for the sake of an agreement; but we are prepared to continue to negotiate to obtain a good result.

A Successful Uruguay Round Would Bring Substantial Benefits to the U.S. and World Economies

- o Exports have become a vital source of strength to the U.S. economy. Since the Round was launched in 1986, export expansion has been responsible for 40 percent of total growth in U.S. GNP. In 1990, export growth accounted for 88 percent of U.S. GNP growth.
- o An open multilateral trading system is the best guarantee that U.S. export opportunities continue to expand into the next century. The Uruguay Round is the most important initiative to expand these opportunities.
- o Specifically, a successful Uruguay Round would provide substantial benefits to the U.S. economy, including:
 - Lower tariff and non-tariff barriers to manufactured products and other goods, which could increase world output by \$5 trillion and U.S. output by over \$1 trillion over the next 10 years, meaning an additional \$16, 000 for every American family of four;
 - Rules to protect the intellectual property of U.S. entrepreneurs, who lose \$60 billion annually through theft and counterfeiting of their ideas;
 - New markets for U.S. services firms, which export \$115 billion annually and generate 90 percent of new U.S. jobs;

- An agreement opening world markets to investment, which helps generate \$240 billion, or two-thirds of total U.S. exports in goods;
 - Fair competition and open markets in agriculture, creating new opportunities for American farmers, who lead the world with more than \$40 billion in annual exports;
 - The full participation of developing countries in the global trading system, which could increase U.S. exports by \$200 billion over the next 10 years; and
 - Strengthened rules on dispute settlement, antidumping, subsidies and trade remedy provisions, which should provide predictability and certainty in access to foreign markets and ensure fair trade at home.
- o Conversely, failure to extend fast track authority will end the Uruguay Round negotiations, damaging prospects for world economic growth and cooperation.
 - o A collapse of the Round brought about by removal of U.S. fast track authority would increase worldwide pressures to raise trade and investment barriers. A sufficiently sharp movement away from open markets could contribute to a global recession, as it did in the 1930s.
 - o Although the ultimate success of the Uruguay Round cannot be guaranteed, the United States should continue negotiations because a successful Round is overwhelmingly in our long-term economic interests.

IMPORTANCE OF A NORTH AMERICAN FREE TRADE AGREEMENT

A NAFTA Would Create One of the World's Largest Free Trade Areas

- o A NAFTA would create an enormous market, encompassing some 360 million consumers and total output of \$6 trillion.
- o The progressive elimination of barriers to the flow of goods, services, and investment and strengthened protection of intellectual property rights would benefit a broad spectrum of businesses, workers, farmers, and consumers.
- o Creation of a NAFTA would be a catalyst for economic growth and development in the United States, Mexico and Canada through increased trade, investment, and jobs.

The Importance of North American Trade

- o Canada and Mexico are America's first and third largest trading partners, respectively. In turn, the United States accounts for over two-thirds of their total trade. In 1990, three-way trade came to about \$237 billion.
- o Since 1980, U.S. exports to Mexico and Canada have doubled, rising from \$55.3 billion to \$111.4 billion. Our exports to our neighbors have grown substantially faster than those to the rest of the world.

Removal of Barriers Would Create New Trade and Investment Opportunities

- o Since Mexico joined the GATT in 1986 and started its unilateral policy of lowering trade barriers, U.S. exports have more than doubled, growing from \$12.4 billion to \$28.4 billion.
 - U.S. agricultural exports to Mexico totalled \$2.5 billion in 1990, our third largest market.
 - Consumer goods exports from the United States to Mexico have tripled since 1986, rising from \$1 billion to \$3 billion.
 - U.S. exports of capital goods have grown from \$5 billion in 1986 to about \$9.5 billion last year.
- o We can do better. Mexico has greater barriers to U.S. exports than we impose on Mexican shipments to the United States. For example:
 - Mexican tariffs average 10 percent, compared to the average tariff of 4 percent we impose on Mexican exports to us.
 - Mexico still maintains a restrictive import licensing regime, one that affects 40 percent of U.S. agricultural exports to Mexico.
- o In addition, while Mexico has liberalized its investment regime, it is still closed to many U.S. investments, both in manufacturing and in services, and performance requirements distort export opportunities for U.S. products.
- o Mexico has already pledged to improve its protection for intellectual property rights, and we expect action on those pledges in the near future. A NAFTA will make those reforms secure.

A NAFTA Offers Benefits to U.S. Producers, Workers and Consumers

- o Economic analyses show that a NAFTA will have a positive impact on the U.S. economy and U.S. employment.
- o U.S. producers and workers will benefit from a NAFTA through increased sales opportunities, improved operating efficiencies, and strengthened competitiveness vis-a-vis Asia and Europe.
- o U.S. consumers will enjoy increased access to lower cost, higher quality products.

A NAFTA Strengthens the Broader North American Relationship

- o A NAFTA would help cement the extensive historical, familial, cultural, and language links the United States has with both Mexico and Canada.
- o More prosperous neighbors are better neighbors and better customers for U.S. goods and services.
- o We have a broad agenda with both Mexico and Canada that goes well beyond trade, economic, and investment links. By boosting economic prosperity in all three nations, a NAFTA will help us make progress on issues such as the environment, drugs, and immigration.

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To POTUS

Grant/Cawley
April 29, 1991
2:30 p.m. Draft one
A: FASTRACK

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS EDITORS AND WRITERS
WASHINGTON MARRIOTT HOTEL
WEDNESDAY, MAY 1, 1991
12:15 P.M.**

Thank you - Jim Kennedy

((Acknowledgements)) Sandy Duerr (Dew-err)

Randy Smith
Susan Thomson

Good afternoon. It's pleasure to meet with you today --
I've been looking forward to this chance to discuss an issue of
importance to all of us: economic growth in America.

While experts disagree about the length and depth of the
recession, we must commit ourselves to policies that will promote
growth and prosperity into the next century. This
administration's economic growth package can do just that. It
can set us on a path toward long-term, market-driven economic
growth.

Our Administration's growth package begins with **control of
federal spending**. Last year's bipartisan budget agreement
finally put the Federal Government on a pay-as-you-go diet. It
cut the growth of debt over the next five years by nearly \$500
billion. That extra capital can help generate new jobs.

To increase **private savings and investment** we have proposed
tax-free family savings accounts, and penalty-free withdrawals
from IRA's for first-time home buyers. We have proposed cutting
the tax on long-term capital gains. That would reduce the tax
code's bias in favor of debt; expand incentives to invest; give

hope to the small entrepreneur with the big idea. It would reinvigorate the American dream.

One of this country's greatest assets is the remarkable flexibility of our free-market economy. We all know the strangling effect that red-tape and overregulation can have on businesses. Regulation, where necessary, ought to harness market forces to serve the public interest. It shouldn't impose unnecessary burdens on working men and women. **The Council on Competitiveness, chaired by the vice president,** reviews all major new government regulation to ensure that regulatory benefits outweigh the burdens imposed on the economy. The council will look carefully at everything from the new Clean Air regulations to setting a roadmap for approval of new biotechnology products.

We've also sent to the Hill our ^{Financial industry reform pkg.} **banking services reform bill.** Our comprehensive package will put our financial services system on a sound footing, and modernize our outdated banking laws. It's time we brought our banking system into the 21st century -- so that our banks can fuel economic growth. But in order to make our financial institutions more competitive at home and abroad, we need comprehensive reform -- not just a quick and narrow fix.

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. We also need to look beyond our shores, to the international market in which American goods and businesses must compete.

USTR Chief Economist: this figure is the one they always use, + he can't get '55%' to figure in correctly.

3

USTR, Treas, Comm. all say '73%'

In recent years, trade has kept our economy growing. Merchandise exports have risen ^{55(?)}73 percent in the last four years -- more than twice the rate of import growth. Export business accounted for virtually all of our economic growth last year -- 84 percent. —OK. (88% was a prelim. figure. It's been adjusted to 84%)

Recent, unparalled growth in world trade has produced huge economic benefits for the United States. Our trade strategy is simple: the United States will continue to lead the world toward a system of free trade and open markets. That system makes American genius available to the whole world -- and gives Americans access to the good ideas and good products produced abroad. Trade means economic growth and jobs for all Americans.

That's why extension of our "fast track" procedures in trade negotiations is so crucial to our economic strategy. Fast track really is another term for "good faith." It means that we will consult closely with Congress and the private sector during trade talks. It means that we will not tinker with trade agreements worked out by our negotiators and their foreign counterparts. Congress will accept or reject them as written. In short, fast track ensures that we will not attach amendments or make changes that would force negotiators to call off talks or start again from square one.

Fast track does not mean that we will railroad the American people into bad agreements. It will not affect the pace of negotiations. And ^{we} will take all the time necessary to address the issues that concern Americans. ✓

Fast track does not take away Congress' power to review trade agreements. It just ensures that Congress will vote yes-or-no on a completed trade agreement within a reasonable period of time.

Our trading partners consider fast-track an essential ingredient for successful trade talks. We have had fast track authority since 1974, and we will need to keep it if we hope to pursue vital trade agreements -- the Uruguay Round of the GATT talks, the North American Free Trade Agreement and the Enterprise for the Americas Initiative as well. **Without fast track, we jeopardize those agreements. We jeopardize trade. We jeopardize American jobs.**

Right now, we have the chance to look forward, to expand economic growth and opportunity from the Yukon to the Yucatan. The North American Free Trade Agreement with Canada, our largest trading partner, and Mexico, our third largest partner, would create the **largest, richest market in the world**. Think about it: 360 million consumers and \$6 trillion in annual output.

A unified North American market would let each of our countries build on our strengths. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable, and more available to our poorest citizens. It would raise productivity and produce a higher standard of living

OK - by
David
Walters,
USTR
Chief Economist

throughout the continent. And the resulting economic integration will strengthen American businesses in the global marketplace.

Let me illustrate the stakes involved in the fast-track debate by discussing the Mexican component of the North American Free Trade Agreement. Trade with Mexico has helped both our countries. Just four years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, Mexico has slashed tariff rates -- and our trade deficit has shrunk two-thirds, to \$1.8 billion.

Mexican President Carlos Salinas has instituted free-trade reforms at home and liberalized Mexico's trade laws. Both our nations have prospered as a result. Our exports to Mexico have increased ^{nearly} 130 percent in the past four years, reaching \$28 billion last year. This export boom has created an estimated 264,000 new jobs in the United States. And each additional billion dollars in exports creates nearly 20,000 new jobs here in the United States.

Meanwhile, the trade boom has offered new opportunities for Mexican workers, has offered prosperity to those who before had lived in squalor.

Some people are concerned about our negotiations with Mexico. [Just this morning,] I sent a detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to those concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

While economic studies show that a free trade agreement would produce jobs in the United States -- as well as exports and

output -- I know there is concern on Capitol Hill about some job losses. Our negotiators will address these concerns in provisions of the North American Free Trade Agreement by ensuring an adequate transition period for workers in import-sensitive industries. **We will work with Congress to ensure that dislocated workers receive proper assistance and retraining.** At the same time, it is worth noting that the agreement will create high-wage, high-skill manufacturing jobs in the machinery, computers, telecommunications and electronics industries. Furthermore, as Mexico develops further, it will need even more of these high tech goods and services. Those goods and services are more likely to come from the United States than from anyone else in the world.

Secondly, **President Salinas and the Mexican people have no interest in allowing their country to become a pollution haven for U.S. companies.** Because economic growth goes hand in hand with environmental protection, we will expand environmental cooperation programs parallel to the free trade talks.

And finally, President Salinas has also made it clear that this agreement will **improve opportunities for Mexican working people.** Mexico has strong laws regulating labor standards and workers rights. Beyond those, we will also begin new initiatives to expand labor cooperation between our two countries.

None of these things will happen, however, if we cannot bargain in good faith -- if the fast track procedures we have employed for 17 years suddenly are withdrawn or weakened. The

United States must continue to open new markets, create new technologies, and seize new opportunities before us. I am confident -- and so are the American people -- that we can and will prevail in this exciting and challenging world. And I am confident that as we head into the next century -- **the next American Century** -- a strong and healthy America that will lead the way.

God bless you all and thank you.

#

+ I believe
I have time
to take 2 questions.

STAFFED

Factcheck Copy

USTR - David Walters - 395-3583

Larry Lindsey - X 6402

Leg. Affairs - X 2230

Grant/Cawley

April 29, 1991

2:30 p.m. Draft one

A: FASTRACK

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**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS
WASHINGTON MARRIOTT HOTEL
WEDNESDAY, MAY 1, 1991
12:15 P.M.**

purple = Fischer

((Acknowledgements))

Good afternoon. It's pleasure to meet with you today -- I've been looking forward to this chance to discuss an issue of importance to all of us: economic growth in America.

1991 SOU
+
Growth Agenda
Fact Sheet
4-9-91
P. 1

While experts disagree about the length and depth of the recession, we must commit ourselves to policies that will promote growth and prosperity into the next century. This administration's economic growth package can do just that. It can set us on a path toward long-term, market-driven economic growth.

Growth Agenda
Fact Sheet, p. 1
+
Larry Lindsey,
X 6402

Our Administration's growth package begins with control of federal spending. Our budget agreement last year finally put the Federal Government on a pay-as-you-go diet. It cuts the growth of debt by nearly \$500 billion ^(over the next 5 years) which should free that capital for new jobs.

"P. 2
+ Larry Lindsey
X 6402

To increase private savings and investment in the economy, we have proposed tax-free family savings accounts, and penalty-free withdrawals from IRA's for first-time home buyers. We have proposed cutting the tax for long-term capital gains to reverse the tax code's bias in favor of debt and replace it with

Lindsay, X6402

incentives to invest -- to give hope to the small agent with the big idea -- to reinvigorate the American dream.

One of this country's biggest assets is the remarkable flexibility of our free-market economy. We all know the strangling effect that red-tape and overregulation can have on businesses. Regulation, where necessary, ought to harness market forces to serve the public interest -- not impose unnecessary burdens on working men and women. **The Vice President's Council on Competitiveness** reviews all ^{major} new government regulation to ensure that regulatory benefits outweigh the burdens imposed on ^{((the economy))} business and society. The council will look carefully at everything from the new Clean Air regulations to setting a roadmap for approval of new biotechnology products.

Growth Agenda Fact Sheet, P. 6

" " - P. 6
David McIntosh (OVP) X2816

We've also sent to the Hill our **banking services reform**

Financial Industry Reform Package

Leg. Aff.

bill, to put our financial services system on a sound footing, and modernize our outdated banking laws. It's time we brought our banking system into the 21st century -- so that our banks can continue providing the money upon which our economy depends. And it's time we made our financial institutions more competitive at home and abroad.

Growth Agenda Fact Sheet, P. 2

Gary Anderson 1092

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. But we also need to look beyond our shores, to the international market in which American goods and businesses must compete.

USTR

In recent years, trade has kept our economy going.

Merchandise exports have risen 55 percent in the last four years

Bob Fischer, USTR-MCAW " " - P. 3

-- twice as fast as imports. Export business growth accounted for 88 percent of our economic growth last year.

USTR

Recent, unparalleled growth in world trade has produced huge economic benefits for the United States. Our trade strategy is simple: the United States will continue to lead the world toward a system of free trade and open markets. That system makes American genius available to the whole world -- and gives Americans access to the good ideas and good products produced abroad. Trade means economic growth and jobs for all Americans.

That's why extension of our "fast track" procedures in trade negotiations is so crucial to our economic strategy. Fast track really is another term for "good faith." It means that we will not tinker with trade agreements worked out by our negotiators and other nations. Instead, Congress will accept or reject them as written. In short, fast track ensures that we will not throw negotiations off track by attaching amendments and changes that would force negotiators to start again from square one.

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kill the agr. or force

Fast track does not affect the pace of negotiations. It does not weaken Congress' power to review trade agreements. It just ensures that Congress will vote yes-or-no on a completed trade agreement within a reasonable period of time: 90 days.

the neg's or the final

*Mexico office
Chip Rob*

*90 days
→ drop: 90 session days.*

Our trading partners consider fast-track an essential ingredient for successful trade talks. We have that authority now, and we will need it if we hope to pursue vital trade agreements -- the Uruguay Round of the GATT talks, the North American Free Trade Agreement and the Enterprise for the Americas

60 = 9/25-2/27

under pressure.

*Growth Agenda
Fact sheet
p. 3
Fast Track Fact
sheet of 3-17-91
p. 4
Fast Track
letter to
Bentson, et al.*

*11/10/91
Fast Track Fact Sheet, p. 3*

*Houston
F.T.
Breakfast*

*Fast Track
Fact Sheet,
p. 2-3*

*Fast Track
Fact Sheet
p. 3*

Fast Track Fact sheet p3
" " p.4

Initiative as well. Without fast track, we jeopardize those agreements. We jeopardize trade. We jeopardize American jobs.

Fast Track Fact Sheet p.7-8
David Walters
1572
395 3583

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Houston F.T. Breakfast

A unified North American market would let each of our countries build on our strengths. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable, and more available to our poorest citizens. It would raise productivity and produce a higher standard of living throughout the continent. And the resulting economic integration will strengthen American businesses in the global marketplace.

Let me illustrate the stakes involved in the fast-track debate by discussing the Mexican component of the North American Free Trade Agreement. Trade with Mexico has helped both our countries. Just four years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, Mexico has slashed tariff rates -- and our trade deficit has shrunk two-thirds, to \$1.8 billion.

Bob Fischer

Mexican President Carlos Salinas has instituted free-trade reforms, and both nations have reaped the benefits. Our exports to Mexico have increased ^{nearly} 130 percent in the past four years.

Mexico Office
And exd oil, we have a 7.5. IP \$2.7 B. (Fischer)

1- domestic free wht
2- lib. but not free

"they've liberalized for. tr."
(Unilateral)

56-90

'90 total - 539,000 US jobs
rel. to Mex exp.

increase
264,000*

Bottom's
Exec. Summary
p. 1

This export boom has created more than 300,000 new jobs in the United States. And each additional billion dollars in exports creates 20,000 new jobs here in the United States.

12,100 US 19,600 Mex.

USTR

Bob Fischer

Meanwhile, the trade boom has offered new opportunities for Mexican workers, has offered prosperity to those who before had lived in squalor.

Dan Price,
USTR
Asst. Gen. Counsel
x 6800

There are some who oppose fast track based on a variety of issues, [mostly non-trade ones.] "Today I have responded..." Just this morning, I sent a detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to ^{these} (their) concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

Letter

Bottom
Exec. Summary
p. 1

While economic studies show that a free trade agreement would produce jobs in the United States -- as well as ^{greater} exports and output -- I know there is concern on Capitol Hill about some job losses, particularly in agriculture. Our negotiators will

Letter

address these concerns in provisions of the North American Free Trade Agreement by ^{ensuring} easing the ^{agreement is phased in} transition for import-sensitive industries. We are committed to working with Congress to ensure that there is assistance and retraining for any dislocated

Letter

workers. At the same time, it is worth noting that the agreement will create high-wage high-skill jobs in [↑] computer, ^{in industries such as:} communications, manufacturing and other industries. Furthermore, ^{machinery} as Mexico develops further, it will need even more of these high tech goods and services. Those goods and services will come from the United States.

Bob Fischer

minor jobs loss in ag
apparel (720 jobs/yr, 10 yrs)
1/4 of 1% of job sector

concern: if we reg. US inv. will
close in US - open in Mexico;
we don't believe but studies
don't cover job flow.

Boston
Exec Summary
Letter

Secondly, President Salinas and the Mexican people have no interest in allowing their country to become a pollution haven for U.S. companies. Because economic growth goes hand in hand with environmental protection, we will expand environmental cooperation programs parallel to the free trade talks.

Letter

And finally, President Salinas has also made it clear that this agreement will improve opportunities for Mexican working people. Mexico has strong laws regulating labor standards and workers rights. Beyond those, we will also begin new initiatives to expand labor cooperation between our two countries.

None of these things will happen, however, if we cannot bargain in good faith -- if the fast track procedures we have employed for 17 years suddenly expire. The United States must continue to open new markets, create new technologies, and seize new opportunities before us. I am confident -- and so are the American people -- that we can and will prevail in this exciting and challenging world. And I am confident that as we head into the next century -- the next American Century -- a strong and healthy America that will lead the way.

God bless you all and thank you.

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In effect since '34;
until '74, only tariff disc. -
when got more comp.
we got fast track

Carolyn's Comments

Grant/Cawley
April 29, 1991
2:30 p.m. Draft one two
A: FASTRACK

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS EDITORS AND WRITERS
WASHINGTON MARRIOTT HOTEL
WEDNESDAY, MAY 1, 1991
12:15 P.M.**

((Acknowledgements))

Good afternoon. It's pleasure to meet with you today -- I've been looking forward to this chance to discuss an issue of importance to all of us: economic growth in America.

While experts disagree about the length and depth of the recession, we must commit ourselves to policies that will promote growth and prosperity into the next century. This administration's economic growth package can do just that. It can set us on a path toward long-term, market-driven economic growth.

Our Administration's growth package begins with **control of federal spending**. Our budget agreement last year finally put the Federal Government on a pay-as-you-go diet. It cuts the growth of debt by nearly \$500 billion ^{over the next 5 years} which should free that capital for new jobs. ^{FYI: He says we don't have to use the 5yr. qualifier, though it does make it more clear.}

Larry
Lindsey
X6402

To increase **private savings and investment** in the economy, we have proposed tax-free family savings accounts, and penalty-free withdrawals from IRA's for first-time home buyers. We have proposed cutting the tax for long-term capital gains to reverse the tax code's bias in favor of debt and replace it with

incentives to invest -- to give hope to the small agent with the big idea -- to reinvigorate the American dream.

One of this country's biggest assets is the remarkable flexibility of our free-market economy. We all know the strangling effect that red-tape and overregulation can have on businesses. Regulation, where necessary, ought to harness market forces to serve the public interest -- not impose unnecessary burdens on working men and women. **The Vice President's Council on Competitiveness** reviews all ^{major} new government regulation to ensure that regulatory benefits outweigh the burdens imposed on business and society. *(he says: "imposed on the economy")* The council will look carefully at everything from the new Clean Air regulations to setting a roadmap for approval of new biotechnology products.

per David McIntosh, OVP-Council on Comp. X 2816

We've also sent to the Hill our **banking services reform bill**, to put our financial services system on a sound footing, and modernize our outdated banking laws. It's time we brought our banking system into the 21st century -- so that our banks can continue providing the money upon which our economy depends. And it's time we made our financial institutions more competitive at home and abroad.

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. But we also need to look beyond our shores, to the international market in which American goods and businesses must compete.

In recent years, trade has kept our economy going. Merchandise exports have risen 55 percent in the last four years

-- twice as fast as imports. Export business growth accounted for 88 percent of our economic growth last year.

Recent, unparalleled growth in world trade has produced huge economic benefits for the United States. Our trade strategy is simple: the United States will continue to lead the world toward a system of free trade and open markets. That system makes American genius available to the whole world -- and gives Americans access to the good ideas and good products produced abroad. Trade means economic growth and jobs for all Americans.

That's why extension of our "fast track" procedures in trade negotiations is so crucial to our economic strategy. Fast track really is another term for "good faith." It means we will work with the Congress + the private sector to negotiate an agreement that is in our nations best interest. It also... not tinker with trade agreements worked out by our negotiators and other nations. Instead, Congress will accept or reject them as written. In short, fast track ensures that we will not throw negotiations off track by attaching amendments and changes that would force negotiators to start again from square one.

Fast track does not affect the pace of negotiations. It does not weaken Congress' power to review the negotiations or the final trade agreements. It just ensures that Congress will vote yes-or-no on a completed trade agreement within a reasonable period of time: 90 days.

Our trading partners consider fast-track an essential ingredient for successful trade talks. We have that authority since 1974 now, and we will need it if we hope to pursue vital trade agreements -- the Uruguay Round of the GATT talks, the North American Free Trade Agreement and the Enterprise for the Americas

or Bob Fischer, X5142, Director for Mexican Affairs. R says we really need to stroke Congress + with their involvement, ∴ the added language.

Fischer wants to drop because it technically means 90 session days, which could drag on for months. For example, on 9/25 they had to begin an Enterprise for the Am - it took till 2/27 - and that was even higher than normal attendance (budget + stuff)

Initiative as well. Without fast track, we jeopardize those agreements. We jeopardize trade. We jeopardize American jobs.

Right now, we have the chance to look forward, to expand opportunity and economic growth from the Yukon ^{to} the Yucatan. The North American Free Trade Agreement with Canada, our largest trading partner, and Mexico, our third largest partner, will create the largest, richest market in the world. Think about it: 360 million consumers and \$6 trillionⁿ annual output.

A unified North American market would let each of our countries build on our strengths. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable, and more available to our poorest citizens. It would raise productivity and produce a higher standard of living throughout the continent. And the resulting economic integration will strengthen American businesses in the global marketplace.

Let me illustrate the stakes involved in the fast-track debate by discussing the Mexican component of the North American Free Trade Agreement. Trade with Mexico has helped both our countries. Just four years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, Mexico has slashed tariff rates -- and our trade deficit has shrunk two-thirds, to \$1.8 billion.

Mexican President Carlos Salinas has instituted free-trade reforms, and both nations have reaped the benefits. Our exports to Mexico have increased ^{nearly} 130 percent in the past four years.

He has not done this - he's done 2 things; however:
① on domestic front: free market reforms;
② on int'l front: liberalized, but not free trade;
Suggest "...salinas has liberalized foreign trade..."

"And excluding oil, we have a trade surplus of \$2.7 Billion."
-- Bob Fischer, USTR-Director for Mexico

David Walters
Chief Economist
USTR
395-3583

For the US: 19,100 new jobs related to Mexico exports } "Nearly 20,000 in each country"
For Mexico: 19,600 new jobs } or "nearly 40,000 in both"

5 264,000

This export boom has created more than 300,000 new jobs in the United States. And each additional billion dollars in exports creates 20,000 new jobs here in the United States.

David Walker, USTR

Meanwhile, the trade boom has offered new opportunities for Mexican workers, has offered prosperity to those who before had lived in squalor.

There are some who oppose fast track based on a variety of ^{trade & other (Bob Fischer)} issues, mostly ~~non-trade ones~~. Today I have responded... Just this morning, I sent a ^{these (Bob Fischer)} detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to their concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

Dan Price USTR, Deputy General Counsel, 345-6800

While economic studies show that a free trade agreement would produce jobs in the United States -- as well as ^{greater (Bob Fischer)} exports and output -- I know there is concern on Capitol Hill about some job losses, particularly in agriculture. Our negotiators will

David Walker, USTR

address these concerns in provisions of the North American Free Trade Agreement by ^{ensuring that agreement is phased in (Bob Fischer)} easing the transition for import-sensitive industries. We are committed to working with Congress to ensure that there is assistance and retraining for any dislocated workers. At the same time, it is worth noting that the agreement will create high-wage high-skill jobs in ^{manufacturing -- in such} computer,

✓

^{industries as computers, and machinery. (Bob Fischer)} communications, manufacturing and other industries. Furthermore, as Mexico develops further, it will need even more of these high tech goods and services. Those goods and services will come from the United States.

- ① Very minor job loss in ag; in fact, an increase is predicted.
- ② The area that stands to lose is the apparel industry; even that, though, is only 710 jobs/yr. = 1/4 of 1% of the job sector.
- ③ The concern on the Hill is that US businesses will close up here + re-open in Mexico. We don't believe this, but no studies

Secondly, President Salinas and the Mexican people have no interest in allowing their country to become a pollution haven for U.S. companies. Because economic growth goes hand in hand with environmental protection, we will expand environmental cooperation programs parallel to the free trade talks.

And finally, President Salinas has also made it clear that this agreement will improve opportunities for Mexican working people. Mexico has strong laws regulating labor standards and workers rights. Beyond those, we will also begin new initiatives to expand labor cooperation between our two countries.

None of these things will happen, however, if we cannot bargain in good faith -- if the fast track procedures we have employed for ~~17~~ ~~17~~ ~~17~~ years suddenly expire. The United States must continue to open new markets, create new technologies, and seize new opportunities before us. I am confident -- and so are the American people -- that we can and will prevail in this exciting and challenging world. And I am confident that as we head into the next century -- the next American Century -- a strong and healthy America that will lead the way.

God bless you all and thank you.

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David Walker

To Tony

USTR
David Walters
395-3552

Grant/Cawley
April 29, 1991
2:30 p.m. Draft one
A: ~~ECONOMY~~ *Fastrack*

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS
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Good afternoon. It's pleasure to meet with you today -- I've been looking forward to meeting with you, because I wanted to discuss an issue of importance to all of us: economic growth in America.

991 504

We will get this recession behind us and return to growth soon. American consumers are optimistic, and we are on our way to a new record of economic expansion and competitive strength that will carry us into the next century. But to get there, we must commit -- now -- to an agenda of long-term, market-driven economic growth.

Lindsay
growth
fact sheet
4-9-91

growth
fact
sheet, 4-9-91, p.1

Our Administration's growth package begins with control of federal spending. Our budget agreement last year finally put the Federal Government on a pay-as-you-go plan and cuts the growth of debt by nearly \$500 billion -- which will free capital for private investment and job creation.

Larry
Lindsay

To increase private savings and investment in the economy, we've also proposed tax-free family savings accounts, and penalty-free withdrawals from IRA's for first-time home buyers. We've proposed cutting the tax for long-term capital gains to spur job-creating investment in our economy.

"p.2

Larry
Lindsay

growth fact sheet, p-6

One of this country's biggest assets is the remarkable flexibility of our free-market economy. We all know the strangling effect that red-tape and overregulation can have on businesses. So where regulation is necessary, its aim should be to harness the power of market forces to serve the public interest -- and should not cause needless waste and inefficiency.

" p. 6
David McIntosh (OVP)
X2816

The Vice President's Council on Competitiveness is reviewing all new government regulation to ensure that its benefits to society outweigh its cost to business -- on everything from the new Clean Air regulations to setting a roadmap for approval of new biotechnology products.

major
Comp. Council

" p. 2

We've also sent to the Hill our banking services reform bill, to put our financial services system on a sound footing, and modernize our outdated banking laws. It's time we brought our banking system into the 21st century -- so that our banks can continue to to make job-creating loans for our businesses and factories. And it's time we made our financial institutions more competitive at home and abroad.

Leg. Aff.

Liam Lindsay

" p. 2

" p. 3

ost track ether to Benison, et. al.

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. It's a fact: our economic growth is export-led. And today, America is in the midst of an export boom. Merchandise exports have risen 55 percent in the last four years -- twice as fast as imports. We have seen unparalleled growth in world trade and huge economic benefits for the United States. Our trade strategy is simple: the United States will continue to lead the world toward a system

USTR

" p. 3

of free trade and open markets -- because it means economic growth and jobs for all Americans.

That's why extension of our "fast track" procedures in trade negotiations is so crucial to our economic strategy. Through this mechanism, Congress ensures that the President goes to the table equipped with real bargaining powers. Fast track means that we're good for our word. Just as our foreign counterparts do, we'll be able to guarantee that an agreement reached with our trading partners would be the same one voted on at home.

Fast track does not speed up the pace of negotiations. It simply enables Congress to vote up-or-down on a completed trade agreement within a reasonable period of time. We need fast track now to pursue vital trade agreements -- not only the North American Free Trade Agreement, but the Uruguay Round and the Enterprise for the Americas Initiative as well. For if we lose our fast track procedures, we lose all three of those agreements. We lose trade. We lose jobs.

A vote against fast track is a vote against our negotiators, because those talks will be over before they've even begun. A vote against fast track is a vote against progress.

Right now, we have the chance to look forward, to expand opportunity and economic growth from the Yukon the the Yucatan. The North American Free Trade Agreement with Canada, our largest trading partner, and Mexico, our third largest partner, will create the largest, richest market in the world. Think about it: 360 million consumers and \$6 trillion annual output.

Houston Fact Sheet, p. 3

Houston F.T. Breakfast

Houston F.T. Breakfast

F.T. letter to Bentzen, et al.

Houston F.T.

Houston
F.T.
Breakfast

A unified North American market would let each of our countries build on our strengths. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable, and more available to our poorest citizens. It would raise productivity and produce a higher standard of living throughout the continent. And the resulting economic integration will strengthen American businesses in the global marketplace. USTR

Houston
F.T.
Breakfast

Let me illustrate the stakes involved in the fast-track debate by discussing the Mexican component of the North American Free Trade Agreement. Trade with Mexico has helped both our countries. Just four years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, we have cut that deficit by two-thirds, to \$1.8 billion. This turnaround took place in part because Mexican President Carlos Salinas believes in free trade. He has slashed tariff rates for some goods from 100 percent to 10 percent. One result: Our exports to Mexico have increased 130 percent in the past four years. **This export boom has created more than 300,000 new jobs in the United States. And each additional billion dollars in exports creates 20,000 new jobs here in the United States.**

leg
Aff.

There are some who oppose fast track based on a variety of issues, mostly non-trade ones. Just this morning, I sent a detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to their concerns. I

Letter to
Bentsen, et. al. gave them my personal commitment to close bipartisan cooperation in the negotiations.

Letter While economic studies show that a free trade agreement would produce jobs in the United States -- as well as exports and output -- I know there is concern on Capitol Hill about adjustments in some sectors. Our negotiators will address these concerns in provisions of the North American Free Trade Agreement by easing the transition for import-sensitive industries. We are committed to working with Congress to ensure that there is assistance and retraining for any dislocated workers.

Letter Secondly, President Salinas and the Mexican people have no interest in allowing their country to become a pollution haven for U.S. companies. Because economic growth goes hand in hand with environmental protection, we will expand environmental cooperation programs parallel to the free trade talks.

Letter And finally, President Salinas has also made it clear that the reason he is pursuing this agreement is to improve opportunities for Mexican working people. Mexico has strong laws regulating labor standards and workers rights. Beyond those, we will also begin new initiatives to expand labor cooperation between our two countries.

Letter But the catalyst for all of these is the economic growth these agreements can hold -- and only through fast track procedures are these agreements within our reach. The United States must continue to open new markets, create new technologies, and seize new opportunities before us. I am

confident -- and so are the American people -- that we can and will prevail in this exciting and challenging world. And I am confident that as we head into the next century -- the next American Century -- it is a strong and healthy America that will lead the way.

God bless you all and thank you.

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April 29, 1991

MEMORANDUM

TO: MARY KATE GRANT
FROM: CAROLYN CAWLEY
RE: BUSINESS EDITORS AND WRITERS EVENT

- o May 1, 1991
Wednesday
- o 12:15 p.m.
- o Washington Marriott Ballroom
- o On Cards
- o 110 attendees -- members of the Society of Business Editors and Writers (99% journalists)
- o Q & A session after remarks TBD
- o Acknowledgements:
 - Jim Kennedy, Secretary/Treasurer
Will introduce POTUS
 - Sandy Duerr (Dew-err), President
 - Randy Smith, Vice President
 - Susan Thomson, Immediate Past President

NOTE: The organization will vote tomorrow night on its new officers -- Duerr, Smith, Kennedy are unopposed right now and will almost certainly be elected. I'll keep you posted -- go with them in the ack's for now.

The Foreign Minister. I've heard that before, Mr. President. [Laughter]

The President. —although our guests are more than able to. This is a new animal that's been added to our repertoire since you've come back.

The Foreign Minister. That's a very interesting one.

Q. Your aides, sir, are taking bets on whether we'll ask a question, sir. [Laughter]

Q. Could you answer one of ours, please, and prove them wrong? [Laughter]

Q. Mr. President, what do you think about the Dutch support so far?

The President. You know, I feel very badly I didn't explain to your press corps that I don't take questions in the Oval Office. I can understand why she would ask. However, let me just tell you that one of the reasons I'm delighted to have this meeting is to be able to express to you and to Prime Minister Lubbers and others the appreciation on the American side for this outstanding cooperation. And I think we've worked very closely together. We've noted your statements with great approval and appreciation, I might say. And so, I look forward to hearing from you any further thoughts you have on the Gulf or any other subject. But I really am grateful to you.

And that was the main message in why I wanted to grab some of your time on this trip—to tell you that. And I'm glad to have a chance to do it publicly.

The Foreign Minister. Thank you very much.

Note: The exchange began at 2:50 p.m. in the Oval Office at the White House.

**Address Before a Joint Session of the
Congress on the State of the Union**
January 29, 1991

*Mr. President and Mr. Speaker and
Members of the United States Congress:*

I come to this House of the people to speak to you and all Americans, certain that we stand at a defining hour. Halfway around the world, we are engaged in a great struggle in the skies and on the seas and sands. We know why we're there: We

are Americans, part of something larger than ourselves. For two centuries, we've done the hard work of freedom. At night, we lead the world in facing down a threat to decency and humanity.

What is at stake is more than one small country; it is a big idea: a new world order, where diverse nations are drawn together in common cause to achieve the universal aspirations of mankind—peace and security, freedom, and the rule of law. Such is a world worthy of our struggle and worthy of our children's future.

The community of nations has resolutely gathered to condemn and repel lawless aggression. Saddam Hussein's unprovoked invasion—his ruthless, systematic rape of a peaceful neighbor—violated everything the community of nations holds dear. The world has said this aggression would not stand, and it will not stand. Together, we have resisted the trap of appeasement, cynicism, and isolation that gives temptation to tyrants. The world has answered Saddam's invasion with 12 United Nations resolutions, starting with a demand for Iraq's immediate and unconditional withdrawal, and backed up by forces from 28 countries of 6 continents. With few exceptions, the world now stands as one.

The end of the cold war has been a victory for all humanity. A year and a half ago, in Germany, I said that our goal was a Europe whole and free. Tonight, Germany is united. Europe has become whole and free, and America's leadership was instrumental in making it possible.

Our relationship to the Soviet Union is important, not only to us but to the world. That relationship has helped to shape these and other historic changes. But like many other nations, we have been deeply concerned by the violence in the Baltics, and we have communicated that concern to the Soviet leadership. The principle that has guided us is simple: Our objective is to help the Baltic peoples achieve their aspirations, not to punish the Soviet Union. In our recent discussions with the Soviet leadership we have been given representations which, if fulfilled, would result in the withdrawal of some Soviet forces, a reopening of dialog with the Republics, and a move away from violence.

We will watch carefully as the situation develops. And we will maintain our contact with the Soviet leadership to encourage continued commitment to democratization and reform. If it is possible, I want to continue to build a lasting basis for U.S.-Soviet cooperation—for a more peaceful future for all mankind.

The triumph of democratic ideas in Eastern Europe and Latin America and the continuing struggle for freedom elsewhere all around the world all confirm the wisdom of our nation's founders. Tonight, we work to achieve another victory, a victory over tyranny and savage aggression.

We in this Union enter the last decade of the 20th century thankful for our blessings, steadfast in our purpose, aware of our difficulties, and responsive to our duties at home and around the world. For two centuries, America has served the world as an inspiring example of freedom and democracy. For generations, America has led the struggle to preserve and extend the blessings of liberty. And today, in a rapidly changing world, American leadership is indispensable. Americans know that leadership brings burdens and sacrifices. But we also know why the hopes of humanity turn to us. We are Americans; we have a unique responsibility to do the hard work of freedom. And when we do, freedom works.

The conviction and courage we see in the Persian Gulf today is simply the American character in action. The indomitable spirit that is contributing to this victory for world peace and justice is the same spirit that gives us the power and the potential to meet our toughest challenges at home. We are resolute and resourceful. If we can selflessly confront the evil for the sake of good in a land so far away, then surely we can make this land all that it should be. If anyone tells you that America's best days are behind her, they're looking the wrong way.

Tonight, I come before this House and the American people with an appeal for renewal. This is not merely a call for new government initiatives; it is a call for new initiatives in government, in our communities, and from every American to prepare for the next American century.

America has always led by example. So, who among us will set this example? Which

of our citizens will lead us in this next American century? Everyone who steps forward today—to get one addict off drugs, to convince one troubled teenager not to give up on life, to comfort one AIDS patient, to help one hungry child.

We have within our reach the promise of a renewed America. We can find meaning and reward by serving some higher purpose than ourselves, a shining purpose, the illumination of a Thousand Points of Light. And it is expressed by all who know the irresistible force of a child's hand, of a friend who stands by you and stays there, a volunteer's generous gesture, an idea that is simply right.

The problems before us may be different, but the key to solving them remains the same. It is the individual, the individual who steps forward. And the state of our Union is the union of each of us, one to the other—the sum of our friendships, marriages, families, and communities.

We all have something to give. So, if you know how to read, find someone who can't. If you've got a hammer, find a nail. If you're not hungry, not lonely, not in trouble, seek out someone who is. Join the community of conscience. Do the hard work of freedom. And that will define the state of our Union.

Since the birth of our nation, "We the People" has been the source of our strength. What government can do alone is limited, but the potential of the American people knows no limits.

We are a nation of rock-solid realism and clear-eyed idealism. We are Americans. We are the nation that believes in the future. We are the nation that can shape the future. And we've begun to do just that, by strengthening the power and choice of individuals and families.

Together, these last 2 years, we've put dollars for child care directly in the hands of parents instead of bureaucracies; unshackled the potential of Americans with disabilities; applied the creativity of the marketplace in the service of the environment, for clean air; and made home ownership possible for more Americans.

The strength of a democracy is not in bureaucracy. It is in the people and their communities. In everything we do, let us

unleash the potential of our most precious resource—our citizens, our citizens themselves. We must return to families, communities, counties, cities, States, and institutions of every kind the power to chart their own destiny and the freedom and opportunity provided by strong economic growth. And that's what America is all about.

I know that tonight, in some regions of our country, people are in genuine economic distress. And I hear them. Earlier this month, Kathy Blackwell, of Massachusetts, wrote me about what can happen when the economy slows down, saying, "My heart is aching, and I think that you should know your people out here are hurting badly."

I understand. And I'm not unrealistic about the future. But there are reasons to be optimistic about our economy. First, we don't have to fight double-digit inflation. Second, most industries won't have to make big cuts in production because they don't have big inventories piled up. And third, our exports are running solid and strong. In fact, American businesses are exporting at a record rate.

So, let's put these times in perspective. Together, since 1981, we've created almost 20 million jobs, cut inflation in half, and cut interest rates in half. And yes, the largest peacetime economic expansion in history has been temporarily interrupted. But our economy is still over twice as large as our closest competitor.

We will get this recession behind us and return to growth soon. We will get on our way to a new record of expansion and achieve the competitive strength that will carry us into the next American century. We should focus our efforts today on encouraging economic growth, investing in the future, and giving power and opportunity to the individual.

We must begin with control of Federal spending. That's why I'm submitting a budget that holds the growth in spending to less than the rate of inflation. And that's why, amid all the sound and fury of last year's budget debate, we put into law new, enforceable spending caps, so that future spending debates will mean a battle of ideas, not a bidding war.

Though controversial, the budget agreement finally put the Federal Government on a pay-as-you-go plan and cut the growth

of debt by nearly \$500 billion. And that frees funds for saving and job-creating investment.

Now, let's do more. My budget again includes tax-free family savings accounts; penalty-free withdrawals from IRA's for first-time home buyers; and to increase jobs and growth, a reduced tax for long-term capital gains.

I know there are differences among us—[laughter]—about the impact and the effects of a capital gains incentive. So tonight, I'm asking the congressional leaders and the Federal Reserve to cooperate with us in a study, led by Chairman Alan Greenspan, to sort out our technical differences so that we can avoid a return to unproductive partisan bickering.

But just as our efforts will bring economic growth now and in the future, they must also be matched by long-term investments for the next American century. That requires a forward-looking plan of action, and that's exactly what we will be sending to the Congress. We've prepared a detailed series of proposals that include: a budget that promotes investment in America's future—in children, education, infrastructure, space, and high technology; legislation to achieve excellence in education, building on the partnership forged with the 50 Governors at the education summit, enabling parents to choose their children's schools and helping to make America number one in math and science; a blueprint for a new national highway system, a critical investment in our transportation infrastructure; a research and development agenda that includes record levels of Federal investment, and a permanent tax credit to strengthen private R&D and to create jobs; a comprehensive national energy strategy that calls for energy conservation and efficiency, increased development, and greater use of alternative fuels; a banking reform plan to bring America's financial system into the 21st century so that our banks remain safe and secure and can continue to make job-creating loans for our factories, our businesses, and home buyers.

You know, I do think there has been too much pessimism. Sound banks should be making sound loans now, and interest rates should be lower, now.

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In addition to these proposals, we must recognize that our economic strength depends on being competitive in world markets. We must continue to expand American exports. A successful Uruguay Round of world trade negotiations will create more real jobs and more real growth for all nations. You and I know that if the playing field is level, America's workers and farmers can out-work, out-produce anyone, anytime, anywhere.

And with a Mexican free trade agreement and our Enterprise for the Americas Initiative, we can help our partners strengthen their economies and move toward a free trade zone throughout this entire hemisphere.

The budget also includes a plan of action right here at home to put more power and opportunity in the hands of the individual. And that means new incentives to create jobs in our inner cities by encouraging investment through enterprise zones. It also means tenant control and ownership of public housing. Freedom and the power to choose should not be the privilege of wealth. They are the birthright of every American.

Civil rights are also crucial to protecting equal opportunity. Every one of us has a responsibility to speak out against racism, bigotry, and hate. We will continue our vigorous enforcement of existing statutes, and I will once again press the Congress to strengthen the laws against employment discrimination without resorting to the use of unfair preferences.

We're determined to protect another fundamental civil right: freedom from crime and the fear that stalks our cities. The Attorney General will soon convene a crime summit of our nation's law enforcement officials. And to help us support them, we need tough crime control legislation, and we need it now.

And as we fight crime, we will fully implement our national strategy for combating drug abuse. Recent data show that we are making progress, but much remains to be done. We will not rest until the day of the dealer is over, forever.

Good health care is every American's right and every American's responsibility. And so, we are proposing an aggressive program of new prevention initiatives—for in-

fants, for children, for adults, and for the elderly—to promote a healthier America and to help keep costs from spiraling.

It's time to give people more choice in government by reviving the ideal of the citizen politician who comes not to stay but to serve. And one of the reasons that there is so much support across this country for term limitations is that the American people are increasingly concerned about big-money influence in politics. So, we must look beyond the next election to the next generation. And the time has come to put the national interest above the special interest and to totally eliminate political action committees. And that would truly put more competition in elections and more power in the hands of individuals.

And where power cannot be put directly in the hands of the individual, it should be moved closer to the people, away from Washington. The Federal Government too often treats government programs as if they are of Washington, by Washington, and for Washington. Once established, Federal programs seem to become immortal. It's time for a more dynamic program life cycle. Some programs should increase. Some should decrease. Some should be terminated. And some should be consolidated and turned over to the States.

My budget includes a list of programs for potential turnover totaling more than \$20 billion. Working with Congress and the Governors, I propose we select at least \$15 billion in such programs and turn them over to the States in a single consolidated grant, fully funded, for flexible management by the States.

The value, the value of this turnover approach is straightforward. It allows the Federal Government to reduce overhead. It allows States to manage more flexibly and more efficiently. It moves power and decisionmaking closer to the people. And it reinforces a theme of this administration: appreciation and encouragement of the innovative powers of "States as Laboratories."

This nation was founded by leaders who understood that power belongs in the hands of people. And they planned for the future. And so must we, here and all around the world.

As Americans, we know that there are times when we must step forward and accept our responsibility to lead the world away from the dark chaos of dictators, toward the brighter promise of a better day. Almost 50 years ago we began a long struggle against aggressive totalitarianism. Now we face another defining hour for America and the world.

There is no one more devoted, more committed to the hard work of freedom than every soldier and sailor, every marine, airman, and coastguardsman, every man and woman now serving in the Persian Gulf. Oh, how they deserve—[*applause*]—and what a fitting tribute to them.

You see—what a wonderful, fitting tribute to them. Each of them has volunteered, volunteered to provide for this nation's defense, and now they bravely struggle to earn for America, for the world, and for future generations a just and lasting peace. Our commitment to them must be equal to their commitment to their country. They are truly America's finest.

The war in the Gulf is not a war we wanted. We worked hard to avoid war. For more than 5 months we—along with the Arab League, the European Community, the United Nations—tried every diplomatic avenue. U.N. Secretary-General Perez de Cuellar; Presidents Gorbachev, Mitterrand, Özal, Mubarak, and Bendjedid; Kings Fahd and Hassan; Prime Ministers Major and Andreotti—just to name a few—all worked for a solution. But time and again, Saddam Hussein flatly rejected the path of diplomacy and peace.

The world well knows how this conflict began and when: It began on August 2d, when Saddam invaded and sacked a small, defenseless neighbor. And I am certain of how it will end. So that peace can prevail, we will prevail. [*Applause*] Thank you.

Tonight I am pleased to report that we are on course. Iraq's capacity to sustain war is being destroyed. Our investment, our training, our planning—all are paying off. Time will not be Saddam's salvation.

Our purpose in the Persian Gulf remains constant: to drive Iraq out of Kuwait, to restore Kuwait's legitimate government, and to ensure the stability and security of this critical region.

Let me make clear what I mean by the region's stability and security. We do not seek the destruction of Iraq, its culture, or its people. Rather, we seek an Iraq that uses its great resources not to destroy, not to serve the ambitions of a tyrant, but to build a better life for itself and its neighbors. We seek a Persian Gulf where conflict is no longer the rule, where the strong are neither tempted nor able to intimidate the weak.

Most Americans know instinctively why we are in the Gulf. They know we had to stop Saddam now, not later. They know that this brutal dictator will do anything, will use any weapon, will commit any outrage, no matter how many innocents suffer.

They know we must make sure that control of the world's oil resources does not fall into his hands, only to finance further aggression. They know that we need to build a new, enduring peace, based not on arms races and confrontation but on shared principles and the rule of law.

And we all realize that our responsibility to be the catalyst for peace in the region does not end with the successful conclusion of this war.

Democracy brings the undeniable value of thoughtful dissent, and we've heard some dissenting voices here at home—some, a handful, reckless; most responsible. But the fact that all voices have the right to speak out is one of the reasons we've been united in purpose and principle for 200 years.

Our progress in this great struggle is the result of years of vigilance and a steadfast commitment to a strong defense. Now, with remarkable technological advances like the Patriot missile, we can defend against ballistic missile attacks aimed at innocent civilians.

Looking forward, I have directed that the SDI program be refocused on providing protection from limited ballistic missile strikes, whatever their source. Let us pursue an SDI program that can deal with any future threat to the United States, to our forces overseas, and to our friends and allies.

The quality of American technology, thanks to the American worker, has enabled us to successfully deal with difficult military conditions and help minimize precious loss

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of life. We have given our men and women the very best. And they deserve it.

We all have a special place in our hearts for the families of our men and women serving in the Gulf. They are represented here tonight by Mrs. Norman Schwarzkopf. We are all very grateful to General Schwarzkopf and to all those serving with him. And I might also recognize one who came with Mrs. Schwarzkopf, Alma Powell, the wife of the distinguished Chairman of the Joint Chiefs. And to the families, let me say our forces in the Gulf will not stay there one day longer than is necessary to complete their mission.

The courage and success of the RAF pilots, of the Kuwaiti, Saudi, French, the Canadians, the Italians, the pilots of Qatar and Bahrain all are proof that for the first time since World War II, the international community is united. The leadership of the United Nations, once only a hoped-for ideal, is now confirming its founders' vision.

I am heartened that we are not being asked to bear alone the financial burdens of this struggle. Last year, our friends and allies provided the bulk of the economic costs of Desert Shield. And now, having received commitments of over \$40 billion for the first 3 months of 1991, I am confident they will do no less as we move through Desert Storm.

But the world has to wonder what the dictator of Iraq is thinking. If he thinks that by targeting innocent civilians in Israel and Saudi Arabia, that he will gain advantage, he is dead wrong. If he thinks that he will advance his cause through tragic and despicable environmental terrorism, he is dead wrong. And if he thinks that by abusing the coalition prisoners of war he will benefit, he is dead wrong.

We will succeed in the Gulf. And when we do, the world community will have sent an enduring warning to any dictator or despot, present or future, who contemplates outlaw aggression.

The world can, therefore, seize this opportunity to fulfill the long-held promise of a new world order, where brutality will go unrewarded and aggression will meet collective resistance.

Yes, the United States bears a major share of leadership in this effort. Among the nations of the world, only the United States of

America has both the moral standing and the means to back it up. We're the only nation on this Earth that could assemble the forces of peace. This is the burden of leadership and the strength that has made America the beacon of freedom in a searching world.

This nation has never found glory in war. Our people have never wanted to abandon the blessings of home and work for distant lands and deadly conflict. If we fight in anger, it is only because we have to fight at all. And all of us yearn for a world where we will never have to fight again.

Each of us will measure within ourselves the value of this great struggle. Any cost in lives—any cost—is beyond our power to measure. But the cost of closing our eyes to aggression is beyond mankind's power to imagine. This we do know: Our cause is just; our cause is moral; our cause is right.

Let future generations understand the burden and the blessings of freedom. Let them say we stood where duty required us to stand. Let them know that, together, we affirmed America and the world as a community of conscience.

The winds of change are with us now. The forces of freedom are together, united. We move toward the next century more confident than ever that we have the will at home and abroad to do what must be done—the hard work of freedom.

May God bless the United States of America. Thank you very, very much.

Note: The President spoke at 9:09 p.m. in the House Chamber of the Capitol. He was introduced by Thomas S. Foley, Speaker of the House of Representatives. In his remarks, the President referred to Gen. H. Norman Schwarzkopf, commander of the U.S. forces in the Persian Gulf, and his wife, Renda; and Gen. Colin L. Powell, Chairman of the Joint Chiefs of Staff. The address was broadcast live nationwide on radio and television. Prior to his address, the President attended a reception in the Speaker's Conference Room hosted by the congressional leadership.

TALKING POINTS ON THE ADMINISTRATION'S RESPONSE
TO CHAIRMEN ROSTENKOWSKI/BENTSEN AND MAJORITY LEADER GEPHARDT

BACKGROUND

In letters to the President, Chairmen Rostenkowski and Bentsen and Majority Leader Gephardt have invited our response to the following key concerns about a North American Free Trade Agreement (NAFTA):

- o Labor: that a NAFTA would adversely affect U.S. jobs and wage rates; and that Mexico inadequately protects worker rights.
 - o Environment: that a NAFTA would lead to weakening U.S. health and safety; that it would have an adverse effect on Mexico's environment and the border area; and that Mexico would become a pollution haven for U.S. companies.
-

WHY A NAFTA?

- o A NAFTA offers an historic opportunity to bring together the energies and talents of three great nations. United already by family and cultural ties, we can now join to create the world's largest free trade area, with 360 million consumers and \$6 trillion in output.
- o A NAFTA will enhance economic growth by expanding opportunities for American workers, American companies, and American exports.
- o We wish no less than the same opportunities for Mexico and Canada; in particular a prosperous Mexico makes for a better neighbor and customer.

THE POSITIVE IMPACT OF A NAFTA ON ECONOMIC GROWTH

- o From 1986 to 1990, as Mexico reduced import barriers, our exports more than doubled from \$12.4 billion to \$28.4 billion generating 264,000 additional jobs in the U.S. Last year, overall U.S. export expansion accounted for 84% of our economic growth.
- o Under a NAFTA, we can do even better. Mexico still has higher trade barriers than the U.S. Mexico's average duty is 10% compared to 4% in the U.S. Significant nontariff barriers remain. We therefore have much to gain from the elimination of these barriers.
- o We will benefit from Mexican growth: for each dollar Mexico spends on imports, 70 cents is spent on U.S. goods; for each dollar of GNP growth, 15 cents is spent on U.S. goods.

- o The resulting economic integration will strengthen the ability of the U.S. to compete with Japan and the EC.

ADMINISTRATION'S ACTION PLANS ON LABOR AND ENVIRONMENT

- o We have heard the concerns about labor and the environment and have a 7-point action plan to deal with these concerns.

1. WE WILL SEEK TRANSITION/ADJUSTMENT PROVISIONS IN THE NAFTA

- o U.S. trade barriers will be phased out in small increments over a long period.
- o There will be an effective safeguard mechanism allowing temporary reimposition of duties and other restrictions.
- o Strict rules of origin will require true North American content so Mexico does not become a mere pass-through.

2. WE WILL HAVE AN EFFECTIVE DOMESTIC ADJUSTMENT PROGRAM FOR WORKERS DISLOCATED BY CHANGED CONDITIONS OF COMPETITION

- o We do not expect significant job dislocation as a result of the NAFTA.
- o Nevertheless, the Administration is committed to working with the Congress to ensure that there is an effective, adequately funded adjustment program for workers who may lose their jobs as a result of the FTA with Mexico.

3. WE HAVE AGREED WITH MEXICO THAT LABOR MOBILITY AND OUR IMMIGRATION LAWS ARE NOT ON THE TABLE IN NAFTA TALKS

- o The only issue on the table would be a narrow provision facilitating entry of certain professionals and managers.

4. WE WILL BEGIN A PROGRAM OF U.S.-MEXICO COOPERATION ON LABOR ISSUES

- o Mexican has strong laws on labor standards and worker rights.
- o What Mexican workers need is not more laws but greater economic opportunity. A NAFTA will raise living standards and create resources for enforcing the laws already on the books.
- o The U.S. and Mexican Labor departments are prepared to sign a Memorandum of Understanding providing for joint action and cooperation. Initial projects include occupational health and safety, and child labor.

5. WE WILL MAINTAIN OUR ABILITY TO PROTECT U.S. HEALTH AND SAFETY

- o We will insist on our right to protect the environment, health and safety of Americans. We will not weaken our standards and we will preserve our right to exclude products that do not meet them.
- o We will seek Mexico's commitment to work to enhance environmental, health and safety standards regarding products, and promote their enforcement.

6. WE WILL ENSURE PUBLIC INPUT ON THE ENVIRONMENT

- o In consultation with interested members of the public, we will complete a review of U.S.-Mexico environmental issues, with particular emphasis on possible environmental effects of the NAFTA, in a timeframe that permits U.S. officials to consider the results during NAFTA negotiations and other discussions.
- o To ensure that trade liberalization is consistent with sound environmental practices, USTR will name to selected policy advisory committees individuals who can bring both an environmental perspective and substantive expertise.

7. WE WILL EXPAND JOINT U.S.-MEXICO ENVIRONMENTAL INITIATIVES

- o Mexico's 1988 environment law and recent enforcement efforts demonstrate strong commitment to environmental protection.
- o Parallel with NAFTA negotiations, we will undertake an ambitious program of expanded environmental cooperation, including technical cooperation and training.
- o To address the special problems of the border region, we will design and implement a 10-year border environment plan, with full public participation and review.
- o We will expand cooperative enforcement activities, e.g., joint targeting of violators.

BUT WE NEED FAST TRACK TO TAKE OUR SEAT AT THE TABLE

- o Fast track does not guarantee approval of any agreement. Congress retains the unqualified right to vote down a NAFTA.
- o We will consult with Congress before the negotiations, during the negotiations and in fashioning implementing legislation.
- o We will not rush this agreement. We will take the time necessary to consider all issues. Until we arrive at an agreement that will have the support of Congress and the American people, there will be no agreement.



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LARRY FISHER	WHCA Lead	395-5589
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LARRY SPERL	USSS/PPD	395-4112
James D. Hewitt	USSS/WFO	634-5100

Staffing copy

OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

April 29, 1991

MEMORANDUM FOR EDE HOLIDAY

FROM:

Joshua Bolten

JB
check w/ chief Economist

SUBJECT:

Response Package to Fast Track Letters

As promised, attached is a package of materials to be sent to the Hill on May 1 in response to letters to the President from Chairmen Rostenkowski and Bentsen and Leader Gephardt. Previous versions of this package have been circulated for interagency review, most recently on April 25 for final comment by April 26.

The attached package includes:

- o an Executive Summary;
- o an Overview and Tabs 1-4, to be reproduced together with a cover sheet in one package; and
- o a Tab 5, to be included only in the copy of the package being sent to Leader Gephardt (it answers some specific Uruguay Round questions he raised).

The attached does not include:

- o a cover letter from the President, which is still under discussion; and
- o talking points for senior officials, which will be circulated separately but would not be part of the package sent to the Hill.

If any problems or questions arise, please feel free to contact me or my Deputy, Dan Price (x6800), or Charlie Ries in our North America office (x5663). Thanks for your help.

Attachments

EXECUTIVE SUMMARY

RESPONSE TO ISSUES RAISED IN CONNECTION WITH THE NEGOTIATION OF A NORTH AMERICAN FREE TRADE AGREEMENT

In letters to the President from Chairmen Bentsen and Rostenkowski, and from Majority Leader Gephardt, the Administration has been asked to address a variety of economic, labor and environmental concerns that have been raised about the proposed North American Free Trade Agreement (NAFTA). The Administration's response sets forth in detail action plans for addressing these concerns, as well as views on the economic impact of a NAFTA.

THE POSITIVE ECONOMIC IMPACT OF A NAFTA

- o From 1986 to 1990, as Mexico reduced import barriers, our exports more than doubled from \$12.4 billion to \$28.4 billion, generating 264,000 additional U.S. jobs.
- o Under a NAFTA, we can do even better. Mexico still has higher trade barriers than the U.S. Mexico's average duty is 10% compared to 4% in the U.S. Significant nontariff barriers remain. We therefore have much to gain from the elimination of these barriers.
- o All three major economic analyses done to date corroborate that the U.S. will benefit from a NAFTA in exports, output and employment.
- o We will benefit from Mexican growth: for each dollar Mexico spends on imports, 70 cents is spent on U.S. goods; for each dollar of GNP growth, 15 cents is spent on U.S. goods.
- o Further, the resulting economic integration will strengthen the ability of the U.S. firms to compete with Japan and the EC.] ✓

ADJUSTMENT PROVISIONS WE WILL SEEK IN THE NAFTA

- o Transition Measures: In order to avoid dislocations to industries and workers producing goods that are import-sensitive, tariffs and non-tariff barriers on such products should be eliminated in small increments over a time period sufficient to ensure orderly adjustment.
 - In determining import sensitivity, we will rely heavily on advice of the International Trade Commission, the Congress, and the private sector.
 - We will be prepared to consider transition periods beyond those in the U.S.-Canada FTA.

- o Effective Safeguard Provisions: Even where reductions in tariffs and other trade barriers are staged over a lengthy period, there may be isolated cases in which injurious increases in imports could occur. To prevent injury from such increases, we will seek to include in the agreement a procedure allowing temporary reimposition of duties and other restrictions.
 - This mechanism should be designed to respond quickly, especially in cases of sudden import increases.
 - Special "snap-back" provisions should be included to address the unique problems faced by producers of perishable products.
- o Strict Rules of Origin: We will negotiate rules of origin to ensure that the benefits of a NAFTA do not flow to mere pass-through operations exporting products to the U.S. with only minimal assembly in Mexico.
 - Rules of origin will impose clear, tough and predictable standards to the benefit of North American products.
 - We will seek to strengthen the required North American content for assembled automotive products.
 - We will consult closely with the private sector and the Congress in designing these rules.

DOMESTIC WORKER ADJUSTMENT PROGRAM

- o Since trade barriers on sensitive products should be decreased over a long timeframe, we do not expect immediate or substantial job dislocations.
- o Nevertheless, beyond including adjustment provisions in the NAFTA itself, there is a need to assist dislocated workers who may have adjustment difficulties.
- o The Administration is committed to working with Congress to ensure a worker adjustment program that is adequately funded and that provides effective services to workers who may lose their jobs as a result of an agreement with Mexico.
- o Whether provided through the improvement or expansion of an existing program or through the creation of a new program, worker adjustment measures should be targeted to provide dislocated workers with comprehensive services in a timely fashion.

LABOR ISSUESLABOR MOBILITY

- o We have agreed with Mexico that labor mobility and our immigration laws are not on the table in NAFTA talks, with the possible exception of a narrow provision facilitating temporary entry of certain professionals and managers.

WORKER RIGHTS AND LABOR STANDARDS

- o Protections afforded by Mexican labor law and practice are better than generally known.
- o Mexico's laws provide comprehensive rights and standards for worker in all sectors including the maquiladoras.
 - Mexico has ratified 73 ILO Conventions on worker rights, including those on occupational safety and health.
 - Mexico has a minimum working age of 14 and mandates special protections and shorter working hours for those between the ages of 14 and 16.
- o A substantially higher proportion of the Mexican workforce is unionized than the U.S. workforce.
- o While enforcement problems have resulted largely from a lack of resources, a NAFTA would both raise living standards and create resources for enforcing existing laws.

FUTURE U.S.-MEXICO COOPERATION ON LABOR MATTERS

- o Memorandum of Understanding: The Secretary of Labor and her counterpart from Mexico are prepared to sign a Memorandum of Understanding providing for cooperation and joint action on a number of labor issues which could be implemented in parallel with our FTA negotiations.
 - These include health and safety measures; work conditions, including labor standards and enforcement; labor conflicts; labor statistics; and other areas of concern to the United States and Mexico.
- o Specific Projects: U.S. and Mexican officials have agreed on joint projects to address specific concerns in the labor sector.
 - Initial projects include: occupational health and safety; child labor; and improvement of labor statistics.

ENVIRONMENTAL ISSUES

MEXICO'S COMMITMENT TO ENVIRONMENTAL PROTECTION

- o Mexico has no interest in being a pollution haven for U.S. companies. ✓
- o Mexico's comprehensive environmental law of 1988, which is based on U.S. law and experience, is a solid foundation for tackling its environmental problems.
- o All new investments are being held to these high legal standards and an environmental impact assessment is required to show how they will comply.
- o Enforcement has in the past been a key problem, but Mexico's record has been improving dramatically. Since 1989, Mexico has ordered more than 980 temporary and 82 permanent shut-downs of industrial facilities for environmental violations; the budget of SEDUE (Mexico's EPA) has increased almost eight-fold.

ENVIRONMENTAL ISSUES IN THE NAFTA

- o Protection of Health and Safety: We will ensure that our right to safeguard the environment is preserved in the NAFTA.
 - We will maintain the right to exclude any products that do not meet our health or safety requirements, and we will continue to enforce those requirements.
 - We will maintain our right to impose stringent pesticide, energy conservation, toxic waste, and health and safety standards.
 - We will ensure our continued right to limit trade in products controlled by international treaties (such as treaties on endangered species, protection of the ozone layer or trade in hazardous wastes).
- o Enhancement/Enforcement of Standards: We will seek a commitment to work together with Mexico to enhance environmental, health and safety standards regarding products, and to promote their enforcement.
 - We will provide for full public and scientific scrutiny of any changes to standards before they are implemented.
 - We will provide for consultations on enhancing enforcement capability, inspection training, monitoring and verification.

JOINT ENVIRONMENTAL INITIATIVES

- o In parallel to the FTA negotiations, we intend to pursue an ambitious program of cooperation on a wide range of environmental matters.
- o We will design and implement an integrated border environmental plan to address air and water pollution, hazardous wastes, chemical spills, pesticides, and enforcement.
- o During the design phase of the border plan, there will be an opportunity for public comment and hearings; during implementation, there will be periodic comprehensive reviews.
- o We will consult on national environmental standards and regulations, and will provide an opportunity for the public to submit data on alleged non-compliance.
- o We will discuss expanded cooperative enforcement activities, such as coordinated targeting of environmental violators.
- o We will establish a program of technical cooperation and training, which will include facilitating sharing of technology for pollution abatement.

INFORMED POLICY MAKING AND PUBLIC PARTICIPATION

- o We will broaden public participation in the formulation and implementation of trade policy to ensure that efforts to liberalize trade are consistent with sound environmental practices.
- o We will appoint individuals to selected trade policy advisory committees who can contribute both an environmental perspective and substantive expertise.
- o In consultation with interested members of the public, we will complete a review of U.S. - Mexico environmental issues, with particular emphasis on possible environmental effects of the NAFTA, to enable U.S. officials to consider the results during FTA negotiations and other bilateral efforts.

DRAFT

Steve Parnas

April 29, 1991

FAST TRACK LETTERS TO BENTSEN, ROSTENKOWSKI & GEPHARDT

Dear Mr. Chairman:

Through the better part of this century, successive Congresses and Administrations -- Republican and Democratic -- have worked to open markets and expand American exports. This partnership has resulted in unparalleled growth in world trade and huge economic benefits for the United States. Opening foreign markets means economic growth and jobs for all Americans.

Historically, the fast track procedures established by the Congress have served us well. On March 1, I requested an extension of fast track so that we could continue to realize increased economic growth and the other benefits of expanded trade. The fast track in no way limits the ability of Congress to review any agreement negotiated, including the Uruguay Round or a North American Free Trade Agreement (NAFTA). If Congress is not satisfied, it retains the unqualified right to reject whatever is negotiated. But refusing to extend the fast track would end negotiations before they have even begun and relinquish a critical opportunity for future economic growth.

The Uruguay Round offers a vital opportunity to open markets and eliminate barriers to our goods, investment, services, and ideas. A NAFTA offers an historic opportunity to bring together the energies and talents of three great nations, already bound by strong ties of family, business, and culture. These initiatives will enhance the global competitiveness of the United States and create new opportunities for American workers, American exports, and American economic growth.

In seeking to expand our economic growth, I am committed to achieving a balance that recognizes the need to preserve the environment, protect worker safety, and facilitate adjustment. In your letter of March 7, you conveyed a number of important Congressional concerns about free trade with Mexico. At my direction, Ambassador Hills and my Economic Policy Council have undertaken an intensive review of our NAFTA objectives and strategy to ensure thorough consideration of the economic, labor, and environmental issues raised by you and your colleagues. The Administration's response is presented in the attached report. Let me emphasize the following:

First, you have my personal commitment to close bipartisan cooperation in the negotiations and beyond. And you have my personal assurance that we will take the time necessary to conclude agreements in which both the Congress and the Administration can take pride.

Second, while economic studies show that a free trade

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-2-

agreement would create jobs and promote growth in the United States, I know there is concern about adjustment in some sectors. These concerns will be addressed through provisions in the NAFTA designed to ease the transition for import-sensitive industries. In addition, my Administration is committed to working with the Congress to ensure that there is adequate assistance and effective retraining for dislocated workers.

*particularly
in agriculture*

Third, based on my discussions with President Salinas, I am convinced that he is firmly committed to strengthened environmental protection, and that there is strong support for this objective among the Mexican people. Because economic growth can and should be supported by enhanced environmental protection, we will develop and implement an expanded program of environmental cooperation in parallel to the free trade talks.

Fourth, President Salinas has also made it clear to me that his objective in pursuing free trade is to improve the lot of Mexican working people. Mexico has strong laws regulating labor standards and worker rights. Beyond what Mexico is already doing, we will work through new initiatives to expand U.S.-Mexico labor cooperation.

Thus, our efforts toward economic integration will be complemented by expanded programs of cooperation on labor and the environment. The catalyst for these efforts is the economic growth that a NAFTA can provide, and the key to these efforts is the extension of unencumbered fast track procedures.

There are great challenges ahead. The world is changing dramatically, as nations move toward democracy and free markets. The United States must continue to open new markets and lead in technological innovation, confident that America can and will prevail in this new and emerging world. By working together, we can negotiate good trade agreements that assure a strong and healthy America as we prepare to meet the challenges of the next century.

Sincerely,

objectives which we so beautifully have achieved. None. And I hope that helps clarify it.

Thank you all very much.

Note: President Bush's 79th news conference began at 11:51 a.m. in the Briefing Room at Ellington Field. President Salinas spoke in Spanish, and his remarks were translated by an interpreter. Marlin Fitzwater is Press Secretary to President Bush.

Remarks at a Meeting With Hispanic Business Leaders in Houston, Texas
April 8, 1991

Thank you all very much. And Miguel, thank you for your leadership for the Greater Houston Partnership. And to all of you who managed to get through security and struggle in here, why—[laughter]—apologies for the delay, but I'm sure glad to see you.

Even though these lights are bright, I can see many, many friendly faces out there, people with whom I've worked for one cause or another over the years. You have this wonderful way of making a guy feel at home. So, thank you for coming. Lionel Sosa, I love those ads. They're terrific. I believe they're going to be very effective. And I thank you for your energy and your expertise. Those are the people that—also, would thank all of those who are helping you on this project.

To my old friend, Bob Mosbacher, our able Secretary of Commerce, I'm glad to see him. He's slightly jet lagged out, having just returned from Japan on yet another mission to try to encourage our exports—a mission in favor of free and fair trade—something we must continue to press for, whether it's halfway across the world or whether it's in relation to our own neighbors to the south. And Bob is doing a great job, a leadership role in fighting for free trade because he knows as I do, and as all of you do, that the freer the trade is, the more job opportunities there are for the people of the United States of America, say nothing of our trading partners. And so, I'm glad to see him back from his mission.

I've been looking forward to this meeting today. We've had a series of these, as some of you know. Some have attended one in Washington, then we had one out in California, and now this. Because I do want to discuss with you two issues that are vitally important to all of us: America's ability to compete in the global marketplace and our ability to negotiate with our trading partners. That's what's at stake right now. I've said many times that the hard work of freedom awaits us. And now, I'm asking for your help in that challenge.

I love the way that Mexico's very able President Carlos Salinas talked yesterday about the vision—the vision of free and fair trade between the two countries. It's a vision that we share. Last month, I asked Congress to support this Fast Track authority in trade negotiations. You see, Fast Track is a way of assuring our trading counterparts that the agreements that they reach with us at that bargaining table, the one they reach with our negotiators will be the same ones that Congress has a chance to vote on, up or down. Some are alleging Congress has no say. And that's simply not true.

Fast Track doesn't affect Congress' power to accept or reject trade agreements. But it does prevent these 11th-hour changes to agreements that have been hammered out, changes that force everyone to start all over again.

We need Fast Track authority to pursue vital trade objectives: the North American free-trade agreement, the Uruguay round, and the Enterprise for the Americas Initiative. If we lose our Fast Track authority, we lose any hope of achieving these three vital agreements. The North American free-trade agreement, the Uruguay round, and the Enterprise for the Americas Initiative. We lose trade, we lose jobs, and we jeopardize economic growth.

Here's the key: A vote against Fast Track is a vote against things that we all hold dear—prosperity at home and growth in other lands. It ignores the dramatic and wonderful changes in the world economy.

We want to play a leading role in that emerging, exciting world, and we don't want to hide from it. We want to join in the thrilling business of innovation, and we do

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Right now, we have the chance to expand opportunity and economic growth from the Yukon to the Yucatan. Think of it. The North American free-trade agreement would link us with our largest trading partner, Canada, and our third-largest trading partner, Mexico. It would create the largest, richest trade zone on Earth: 360 million consumers in a market that generates \$6 trillion in output in a single year.

A unified North American market would let each of our countries build on our own strengths. It would provide more and better jobs for U.S. workers. Let me repeat that one. It would provide more and better jobs for U.S. workers. It would stimulate price competition, lower consumer prices, improve product quality. The agreement would make necessities such as food and clothing more affordable, more available to our poorest citizens. It would raise productivity and produce a higher standard of living throughout the continent.

Let me illustrate the stakes involved in the Fast Track debate by discussing the Mexican component of the North American free-trade agreement. Trade with Mexico has helped both our countries.

Just 4 years ago, we had a \$4.9 billion trade deficit with Mexico. Since then, we've cut that deficit by two-thirds, to \$1.8 billion. This turnaround took place in part because Mexico's President believes in free trade. He's slashed tariff rates for some goods from 100 percent to 10 percent. One result: our exports to Mexico have increased 130 percent in the past 4 years.

This export boom has created more than 300,000 new jobs here in the United States of America. And each additional billion dollars in exports creates 20,000 new jobs here in the United States.

I don't have to tell anyone in this room about Mexico's market potential: 85 million consumers who want to buy our goods. Nor do I have to tell you that as Mexico grows and prospers, it will need even more of the goods we're best at producing: computers, manufacturing equipment, high-tech and high-value products.

Unfortunately, we've got a tough fight ahead of us. Some Members of Congress are concerned about the potential impact that

any agreement may have on American jobs, American companies, American exports.

Other Members of Congress say that they worry about wage rates or environmental quality, health and safety issues. I believe, I firmly believe that concern about those very same issues is the strongest argument for support for Fast Track.

Let me just talk about those concerns. We've already seen what the reduction in Mexican tariffs has done for our exports—American exports to Mexico. A free-trade agreement would eliminate the remaining tariffs entirely. And that would stimulate exports, create new jobs, generate wealth, and hope, I might add, on both sides of the border.

Let's take a look at the impact on American companies. When trade barriers vanish, goods flow freely across borders. And everybody—businessmen and workers, to farmers and consumers—reaps the benefits of growth.

Consider the environment. The North American free-trade agreement fits into a winning strategy of improving environmental quality. Opponents of Fast Track and the trade pacts forget that prosperity offers the surest road to worker safety, public health, and indeed, environmental quality.

This administration wants to ensure that Mexican economic growth goes hand in hand with the environmental protection. Our EPA is already assisting the Salinas government with its environmental programs. President Salinas has shown that he's serious about cleaning up the environment, by requiring all new cars to have catalytic converters, and recently, I'm sure all of us noticed with pride and pleasure the fact that he shut down Mexico's largest oil refinery because, frankly, it was just too much pollution into the air. I know that President Salinas cares deeply about his nation and its people and that he means business when he says he wants to clean up Mexico's air and water.

And finally, consider the matter of working conditions in Mexico. As our trade with Mexico has grown, so have the wages of Mexican workers. Indeed, Mexican wages have risen very quickly in recent years, with no tangible impact on America's pay scales. That being the case, someone ought

to ask the opponents of Fast Track why they oppose prosperity in Mexico.

Someone should ask why they oppose letting our neighbors enjoy the benefits of progress. These are our friends. These are our neighbors. Ask them what's wrong with increased productivity throughout the whole continent. We benefit when others in this continent prosper. And ask them what's wrong with a more stable Mexico. A free-trade pact would encourage investment, would create jobs, would lift wages, and give talented Mexican citizens opportunities that they don't enjoy today. A stronger Mexico, in turn, means a stronger United States; it means a stronger North American alliance.

So, you see, we have much to gain from extending Fast Track: a new era of open, free and fair trade, a future of unprecedented economic growth and regional harmony. As with most good things in life, competition involves risk. But we always have been a nation of risktakers, of adventurers.

Our forefathers transformed a rough wilderness into an industrial superpower. We've created technologies and products unlike any others produced in human history. We've placed the wisdom of the ages within reach of anyone who can operate a computer.

The vote on Fast Track is really a vote on what kind of America we want to build. A "yes" vote expresses confidence in American know-how and ingenuity. I say we believe in ourselves.

I want to make clear that this isn't a partisan political issue. I want to salute those Democratic leaders in the United States Congress, including our own Senator Lloyd Bentsen, who's a key player in this debate, and others in the House—Speaker Foley—who have the vision to say this is good for the United States and it's good for Mexico. I'm going to approach this strictly in a non-partisan, nonpolitical manner. It is too important to get it bogged down in partisan politics. I take great pride in the fact that the relationship between Mexico and the United States has never been better. But it is my view that we owe Mexicans the opportunity that they will get from Fast Track. And when they get that opportunity it is going to benefit the United States of America.

And so, I will be fighting my heart out to win passage of this. I was very privileged to receive for the second time in Houston the able President of Mexico yesterday. He's doing a first-class job. He's moved that country in ways that some of his critics would never dared dream possible. And I think that it is in our interest now to build on this improved and strengthened relationship to give them and give ourselves the benefit of free and fair trade.

So, as we join a world that is linked primarily by economic—not military—competition, we have nothing to fear except the fearmongers themselves. They seem to be the only ones who haven't learned lately that defeatism produces defeat, while confidence and self-reliance produce greatness. We've got to seize the opportunities that this new world economy offers us. And with your help, I am absolutely convinced that we will do it.

So, once again, thank you for coming. And I pledge to each and every one of you that this goal is so important to the United States that it will be priority with me, with Secretary Mosbacher, with every other member of the Bush administration in Washington, DC. We are going to win this fight. But we need your help. Thank you all very, very much.

Note: The President spoke at 8:30 a.m. in the Evergreen Room at the Houstonian Hotel. In his remarks, he referred to Miguel San Juan, vice president, world trade division, Greater Houston Partnership, and Lionel Sosa, who produced a video shown prior to the President's remarks.

Remarks on Presenting a Point of Light Award to the Voice of Hope Ministries in Dallas, Texas

April 8, 1991

Let me just say Barbara and I are delighted to be here. In the first place, I want to salute all at the Dallas Naval Air Station, and say it's a pleasure to be back.

But today what I wanted to do here in this very brief period of time was to salute those that are gathered here not only to

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SABEW

**Society of American
Business Editors & Writers**

**28th Annual Meeting
April 27 - May 1, 1991
Washington Marriott
Washington, D.C.**

PROGRAM CHANGES

Tuesday, April 30

2 - 3 p.m.

Joseph Hardiman, president
National Association of
Securities Dealers

Wednesday, May 1

9 - 9:45 a.m.

Michael Boskin, chairman,
President's Council
of Economic Advisers

noon (before lunch)

President Bush

Wednesday, May 1

- 7:30-8:30 **Board meeting**
(Thomas Room)
- 8:00-9:00 **Continental breakfast/ Visit
with exhibitors**
- 9:00-9:45 **Joseph R. Hardiman,**
President and CEO,
National Association of
Securities Dealers, Inc.
- 9:45-10:15 **Break/Visit with exhibitors.**
- 10:15-11:00 **Making sense of the census**
Peter A. Bounpane,
Assistant Director,
Bureau of the Census
- Bill Dunn,
Demographics Editor,
USA Today
- Moderator: Randy Smith,
Assistant Managing Editor/
Business, Kansas City Star
- 11:00-11:50 **How to better cover
minority business**
Earl Graves, Editor and
Publisher, Black Enterprise
Magazine
- 12:00-1:30 **Lunch speaker**
Dr. Michael Boskin,
Chairman, President's
Council of Economic
Advisers

Schedule subject to change.

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Cable News Network

Jim Kennedy
Associated Press

Gary Klott
Times Books

Jim Mitchell
San Jose Mercury News

Richard L. Papiernik
Albany (N.Y.) Times Union

Peter Sinton
San Francisco Chronicle

Randy Smith
Kansas City Star

3:00-4:00 **Richard C. Breeden,**
Chairman, Securities and
Exchange Commission

4:00-5:30 **The future of U.S. banking**
Rep. Jim Leach, R-Iowa,
Member of House
Committee on Banking,
Finance and Urban Affairs

Karen Shaw, President,
Institute for Strategy
Development; Former Vice
President, Bank of America

Kenneth Guenther, Jr.,
Executive Vice President,
Independent Bankers
Association of America

Moderator: Peter Behr,
Assistant Managing Editor/
Business, Washington Post

6:30-7:30 **Reception**
Sponsor: Associated Press
(Georgetown Room)

7:30-9:30 **Dinner speaker**
Lynn Martin,
Secretary of Labor
(Salon D-E)

9:30 **Hospitality suite**
(Room 728)

Tuesday, April 30

7:30-8:30 **Continental breakfast/ Visit with exhibitors**

8:30-9:30 **Concurrent sessions**
(select one)
Covering the local economy
David Vise,
Deputy Business Editor,
Washington Post

Ann Swardson,
Business Reporter,
Washington Post

Stock tables: Using the news services to improve coverage and trim space

Moderator: Larry Werner,
Assistant Managing Editor/
Business, Minneapolis Star
Tribune

9:30-10:30 **Critique: What we're covering right and wrong**
Chris Welles, Senior Writer,
Business Week

10:30-10:45 **Break**

10:45-12:00 **SABEW annual business meeting**

12:00-1:45 **Lunch speaker**
Robert Glauber,
Undersecretary for Finance,
Department of the Treasury

1:45-3:00 **Break/ Visit with exhibitors**

Hospitality Suite co-sponsored all week by Knight-Ridder/Tribune News and Knight-Ridder Financial News.

Saturday, April 27

2:00 **Board meeting**
(Georgetown II Room)

9-11:00 pm **Registration/ Hospitality suite** (Room 728)

Sunday, April 28

8:00 **Buses depart hotel for Baltimore**

9:30 **The economics of professional sports**
David Petersen,
Director of Sports &
Convention Facilities
Advisory Services,
Price Waterhouse, Tampa

Bruce Hoffman,
Executive Director,
Maryland Stadium Authority

Moderator: Philip Moeller,
Business Editor,
Baltimore Sun

1:35 **Baltimore Orioles game**

7:00 - 8:00 **Reception (Salon C) at Washington Marriott**
Co-sponsors: Reuters
Information Services, Inc.,
and Washington Post

8:30 **Hospitality suite** (Room 728)

All hotel sessions will be in the West End Ballroom C-D-E. All continental breakfasts/breaks in West End Ballroom A-B. Lunches will be in the Georgetown Room.

Monday, April 29

8:00-9:00 **Continental breakfast/
Visit with exhibitors**

9:00-9:15 **Welcome**
Sue Thomson,
SABEW President

9:15-10:00 **Samuel K. Skinner,**
Secretary, U.S. Department
of Transportation

10:00-10:30 **Break/Visit with exhibitors**

10:30-11:45 **Concurrent sessions**
(select one)
Managing in the 1990s
Moderator: Cheryl Hall,
Business Editor,
Dallas Morning News

**How to make business
stories jump off the page**
Donald Fry, Writing Group,
Poynter Institute

12:00-1:45 **Lunch speaker**
Lane Kirkland,
President, AFL-CIO

2:00-3:30 **Business of politics**
Martin T. Farmer,
Executive Director,
Government Relations,
Barnett Banks Inc. of Florida

William Sinclair, Chairman
and CEO, Washington
Federal Savings Bank

Dale Leibach, Vice President,
Powell, Adams and Rinehart

Moderator: Wendell Cochran,
Business Writer,
Gannett News Service

3:30-3:45 **Break/Visit with exhibitors**

3:45-5:00 **Getting over the recession
blues**
H. Erich Heinemann, Chief
Economist, Ladenburg,
Thalman and Co.

Rudolph Penner, Senior
Fellow, Urban Institute

Gail D. Fosler,
Chief Economist,
Conference Board

Moderator: Mike Kandel,
Financial Editor, CNN

6:15-7:30 **Reception at USA Today**
Co-sponsors: Gannett News
Service and USA Today

9:30 **Hospitality suite** (Room 728)