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**Record Group/Collection:** George H.W. Bush Presidential Records  
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**Series:** Speech File Draft Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13564  
**Folder ID Number:** 13564-009

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**Folder Title:**  
Society of Business Writers and Editors 5/1/91 [OA 6032]

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<b>G</b>	<b>26</b>	<b>16</b>	<b>7</b>	<b>7</b>

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NAME OF SPEECH & DATE OF SPEECH Society of Business  
Editors: Writers 5/1/91

NAME OF WRITER : Grant

NAME OF RESEARCHER: Cawley

SPEECH SYNOPSIS: POBUS addresses economic growth in America by highlighting the administration's growth package. This package includes: control of federal spending; programs to increase private savings; investment reviews by the Council on Competitiveness; a federal industry reform package. POBUS also stresses the importance of trade through the boom of jobs created through exports. In this discussion of trade POBUS also speaks on the importance of the North American Free Trade agreement.

THE PRESIDENT HAS SEEN

5-1-91

Grant/Cawley

April 30, 1991

7 p.m.

A: FASTRACK

APR 30 PM 7:28

**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 -- 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~~ <sup>redouble our efforts</sup> 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 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 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.

# # #

**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.

# # #

**WHITE HOUSE STAFFING MEMORANDUM**

DATE: 04/29/91 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KRISTOL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:  
 Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 1:00 p.m., Tuesday, 04/30, with a copy to this office. Thanks.

RESPONSE:

PHILLIP D. BRADY  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

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.**

((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, which should free that capital for new jobs.

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 new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

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, 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 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 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 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

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 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.

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 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.**

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 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 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, particularly in agriculture. 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. At the same time, it is worth noting that the agreement will create high-wage high skill jobs in computer, 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.

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 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.

# # #



01 APR 30 12:41

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

MEMORANDUM TO TONY SNOW

FROM: DAVID MCINTOSH *David*

DATE: April 30, 1991

SUBJECT: Presidential remarks before the Society of Business  
Writers and Editors

---

I have attached suggested language for the first full paragraph on page two of the President's speech. Bill Kristol wanted us to beef it up a little bit from what we had talked about earlier.

Suggested language for first full paragraph on page 2:

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, robbing working men and women of their jobs. My Administration is committed to cutting back on burdensome regulation. That's why I have asked the Vice President's Council on Competitiveness to review all new government regulation to ensure that regulatory benefits outweigh the burdens imposed on business and society; and to guarantee that, when regulation is necessary, it harnesses market forces to serve the public interest. The Council will look carefully at everything from ensuring we have balanced clean air regulations to removing regulatory roadblocks to industries of the future -- industries like biotechnology and telecommunications.

# WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/30/91 ACTION/CONCURRENCE/COMMENT DUE BY: ---

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF AMERICAN BUSINESS EDITORS AND WRITERS

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KRISTOL	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

THE WHITE HOUSE  
WASHINGTON

91 APR 30 PM 4:17

April 30, 1991

**MEMORANDUM FOR THE PRESIDENT**

**THROUGH:** TONY SNOW *TS*  
**FROM:** MARY KATE GRANT *MLG*  
**SUBJECT:** REMARKS TO SOCIETY OF AMERICAN  
BUSINESS EDITORS AND WRITERS

I. SUMMARY

Attached for your review are draft remarks for the Society of American Business Editors and Writers, to be delivered on Wednesday, May 1 at 12:15 p.m. at the Washington Marriott. You will address approximately 110 members of the business press.

II. DISCUSSION

Your remarks are about 10 minutes in length and will be on speechcards. You frame the fast track issue as crucial to economic growth, as well as outline the contents of your response to Congressional concerns about the North American Free Trade Agreement.

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.**

((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. 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 package**. 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.

In recent years, trade has kept our economy growing. Merchandise exports have risen 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.

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 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

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 130 percent in the past four years, reaching \$28 billion last year. This export boom has created an estimate 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 now have time for two questions.

# # #

THE WHITE HOUSE  
WASHINGTON

Date: 4/30 81 APR 30

TO: *Tony / Mary Kate*

FROM: **JOHN S. GARDNER**  
Special Assistant to the President  
and Assistant Staff Secretary

*Pls. see a few comments/questions.*

*Thanks,  
J.S.*

91 APR 29 PM 8:00

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

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

((Acknowledgements))

Good afternoon. It's <sup>an</sup> 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, which should free that capital for new jobs.

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 new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

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

all imports or  
merchandise imports?  
3

-- 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 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.

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.

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

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 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.

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 130 percent in the past four years.

Careful - look at the pictures in the new magazines this week - the people who have come to northern Mexico to work in the maquiladoras in many cases are still living in squalor and poverty.

**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.**

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 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 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, particularly in agriculture. 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.** At the same time, it is worth noting that the agreement will create high-wage high skill jobs in computer, 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.

→ what does this refer to?

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 <sup>?</sup>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.

→ Why would they expire? <sup>###</sup> The provision would remain on the books but would just not apply for this agreement.

THE WHITE HOUSE

WASHINGTON

91 APR 30 P 3: 48 April 30, 1991

MEMORANDUM FOR TONY SNOW

FROM:

ROGER B. PORTER *RBP* / *RBP*

SUBJECT:

Presidential Remarks: Society of Business  
Writers and Editors

We have reviewed the attached draft presidential remarks from a policy standpoint and have noted a few minor suggestions on the attached copy of the remarks.

Please let us know if you have any questions or if we can help in any other way.

Attachment

cc: Phillip D. Brady

## WHITE HOUSE STAFFING MEMORANDUM

DATE: 04/29/91 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KRISTOL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:**

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 1:00 p.m., Tuesday, 04/30, with a copy to this office. Thanks.

**RESPONSE:**

**PHILLIP D. BRADY**  
 Assistant to the President  
 and Staff Secretary  
 Ext. 2702

91 APR 29 PM 8:00

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

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
WASHINGTON MARRIOTT HOTEL  
WEDNESDAY, MAY 1, 1991  
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((Acknowledgements))

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importance to all of us: economic growth in America.

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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, which should free that capital  
*TO HELP CREATE*  
~~for~~ new jobs. *OVER THE NEXT FIVE YEARS*

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 <sup>the GREATEST</sup> ~~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. <sup>chosen by the Vice President,</sup> ~~The Vice President's~~ Council on Competitiveness, reviews all new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

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In recent years, trade has kept our economy <sup>growing</sup> ~~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. *He said*

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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.

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God bless you all and thank you.

# # #

01 APR 30 09:57

WHITE HOUSE STAFFING MEMORANDUM

DATE: 04/29/91 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KRISTOL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 1:00 p.m., Tuesday, 04/30, with a copy to this office. Thanks.

RESPONSE:

*See Comments*

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

91 APR 29 PM 8:00

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

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
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. (AA)

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, which should free that capital  
for new jobs.

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

*NEED TO HEADLINE FAST TRACK  
WORK IN A REFERENCE TO FAST TRACK --*

*"AND SO THAT'S WHY I WANT TO DISCUSS ~~THE~~ WHY  
FAST TRACK IS SO VITAL TO ACHIEVING . . . ."*

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 new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

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, 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 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 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 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

④ WHICH BRINGS ME AGAIN TO THE (CRUCIAL - VITAL - IMPORTANT -)  
~~REASON~~ ISSUE OF FAST TRACK.

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 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.

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 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.

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 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 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, particularly in agriculture. 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. At the same time, it is worth noting that the agreement will create high-wage high skill jobs in computer, 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.

EXPANSION ON THIS - PART OF BIPARTISAN EFFORT  
- WORKED WITH B. R. & G.

- NEED TO NOT POLITICALIZE - "TODAY WE JOIN THE ISSUE"

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 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.

# # #


THE WHITE HOUSE

WASHINGTON

91 APR 30 P 1: 49

April 30, 1991

MEMORANDUM FOR TONY SNOW  
DEPUTY ASSISTANT TO THE PRESIDENT  
FOR COMMUNICATIONS, DIRECTOR OF SPEECHWRITING

FROM: NELSON LUND   
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks: Society of Business Writers  
and Editors

At the request of Phillip D. Brady, Counsel's office has reviewed the captioned remarks. We have no legal objections.

We appreciate the opportunity to review this matter.

cc: Phillip D. Brady

# CAROLYN'S COMMENTS

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

\* FYI: (Comments from David Walters, USTR Chief Economist and  
RED = From Bob Fischer, USTR Director for Mexico;  
Important comments.

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WASHINGTON MARRIOTT HOTEL  
WEDNESDAY, MAY 1, 1991  
12:15 P.M.

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I've been looking forward to this chance to discuss an issue of  
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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, which should free that capital  
for new jobs.

FYI: It's "over the next 5 years." Lindsey says  
we don't have to qualify it, but you might get this comment

To increase **private savings and investment** in the economy, from other  
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  
people.

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 <sup>major</sup> new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

(He says "imposed on the economy")

David McIntosh, OVP-Council on Comp. K2816

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." <sup>It means we will work with the Congress + the private sector to negotiate an agreement that is in our nation's best interest. It also...</sup> 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 <sup>kill the agreement, or</sup> 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 <sup>the negotiations or the final</sup> 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 <sup>had</sup> that authority ~~since 1974~~ <sup>since 1974,</sup> 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

*he says we really need to stroke the Congress + emphasize their role.*

*USTR wants to drop this because technically it means 90 session days - which could drag on for months. For example, they were notified of Enterprise for the Americas on 9-25-90 and it took 'til 2-27-91 ... and that was even during greater than normal attendance due to the budget + the gulf.*

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 <sup>to</sup> 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 <sup>in</sup> 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 130 percent in the past four years.

✓ He hasn't done this perse... He has :

- ① instituted free mkt. reforms domestically;
- ② "liberalized foreign trade."

→ "And, excluding oil, we have a trade surplus of \$2.7 Billion."

Not quite 20 : For the US, it's 19,100 new jobs relating to exports to Mexico;

For Mexico, it's 19,600 new jobs relating to export to the U.S. } 5

New # from Commerce:  
264,000

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There are some who oppose fast track based on a variety of <sup>trade + other</sup> issues, mostly non-trade ones. <sup>Today (( EXACT time TBD ))</sup> Just this morning, I sent a detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to <sup>these</sup> their 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 <sup>greater</sup> exports and output -- I know there is concern on Capitol Hill about some job losses, particularly in agriculture. Our negotiators will address these concerns in provisions of the North American Free Trade Agreement by <sup>ensuring that agreement is phased in</sup> 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 computer, <sup>manufacturing -- in industries</sup> communications, <sup>and machinery</sup> 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 the most is the apparel industry... but even that is only 710 jobs/year, or  $\frac{1}{14}$  of 1% of the job sector.

③ What the Hill is concerned about is: that us businesses will close up, move to Mexico for cheap labor. We don't expect this happen, but no studies have been conducted on business relocation.

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 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.**

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# # #

91 APR 29 PM 8:00

USTR  
Comments

Grant/Cawley  
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\* Consult w/ Congress

\*\* we will take the time nec. to address all the issues

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

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

This export boom has created more than ~~300,000~~ <sup>an estimate of 264,000</sup> new jobs in the United States. And each additional billion dollars in exports <sup>to Mex.</sup> creates <sup>almost</sup> ~~20,000~~ new jobs here in the United States.

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~~There are some who oppose fast track based on a variety of issues, mostly non-trade ones.~~ <sup>Some people have expressed concern about our neg. w/ Mex</sup> Just this morning, I sent a detailed report to Chairmen Bentsen and Rostenkowski and Majority Leader Gephardt which, I believe, responded to <sup>their</sup> their concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

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God bless you all and thank you.

I will now take  
two questions

(per  
Deb A.)

action. RM, HJ, CJ, BS, PK, ALE

CC:RS&JT

233911

Document No.

# WHITE HOUSE STAFFING MEMORANDUM

91 APR 30 12:45

DATE: 04/29/91

ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION FYI	
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RESPONSE:

PHILLIP D. BRADY  
Assistant to the President  
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Ext. 2702

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Federal Government on a pay-as-you-go diet. It cuts the growth  
of debt by nearly \$500 billion, which should free that capital  
for new jobs.

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 <sup>on</sup> ~~for~~ long-term capital gains to <sup>reduce</sup> ~~reverse~~  
the tax code's bias in favor of debt and <sup>to expand</sup> ~~replace it with~~

incentives to invest -- to give hope to the <sup>individual</sup> ~~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 new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

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 <sup>84</sup>~~88~~ percent of our economic growth last year.

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 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 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 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 <sup>potential free trade agreements as part of the</sup> 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 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.

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 130 percent in the past four years.

*a quarter of a million*

This export boom has created more than ~~300,000~~ *about* new jobs in the United States. And each additional billion dollars in exports *to Mexico* creates 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.

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 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, particularly in agriculture. 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 *adequate* 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 computer, 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.

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 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. X

God bless you all and thank you.

# # #

WHITE HOUSE STAFFING MEMORANDUM

91 APR 30 P2:17

DATE: 04/29/91 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>ROGERS</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>SNOW</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>BOSKIN</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KRISTOL</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>          </u>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 1:00 p.m., Tuesday, 04/30, with a copy to this office. Thanks.

*Tony Pls. call 6630*

RESPONSE:

*See comments. Thanks.  
Nolly Williams  
4-30-91*

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

91 APR 29 PM 8:00

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

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
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.

*✓ Commerce*  
Our Administration's growth package begins with control of federal spending. <sup>The bi-partisan</sup> ~~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, which should free ~~that~~ <sup>Commerce</sup> capital *needed* for new jobs.

*✓*  
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 <sup>to</sup> 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 new government regulation to ensure that regulatory benefits outweigh the burdens imposed on 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.

~~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.~~

*All insert by Treasury (next para.)*

These forward-looking proposals are only one part of our vision for a strong and vibrant American economy. ~~But~~ <sup>AS</sup> 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 <sup>73</sup>~~55~~ percent in the last four years

*Commerce & USA*

Page 2

2<sup>nd</sup> Full Paragraph

Treasury insert

We've also sent to the Hill our banking services reform bill, which 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 continue to act as an engine for economic growth. But in order to make our financial institutions more competitive at home and abroad, we must have comprehensive bank reform, not a narrow band-aid approach. ~~Legislation which does not address structural reform of the industry will not fix the problems.~~  
~~Let's do the job once and do it right.~~

4/30

Clamber cleared

✓ Commerce  
✓ Commerce  
& Treasury  
& Labor  
USTR

more than twice  
-- <sup>twice</sup> as fast as imports. Export business growth accounted for <sup>84</sup> percent of our economic growth last year.

Recent, (unparalleled) <sup>Sp?</sup> 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.

✓ As (USTR concurred)  
and the  
private sector

That's why extension of our "fast track" procedures in trade negotiations is so crucial to our economic strategy. <sup>Congress must vote on my request to extend the vital trade negotiation process</sup> Fast track <sup>(COC)</sup> really is another term for "good faith." It means that we will <sup>consult closely with Congress in negotiating trade agreements but that the</sup> ~~not tinker with~~ trade agreements worked out by our negotiators <sup>will not be amended, finally</sup> and other nations. <sup>USTR</sup> Instead, Congress will accept or reject them <sup>USTR</sup> 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.

✓ USTR

Fast track does not <sup>take away</sup> ~~weaken~~ Congress' <sup>ultimate</sup> power to <sup>accept or reject</sup> ~~review~~ trade agreements. <sup>We will take the time necessary to address</sup> It <sup>addresses</sup> all issues. <sup>USTR</sup> just ensures that Congress will vote yes-or-no on a completed <sup>USTR</sup> trade agreement within a reasonable period of time, ~~90 days.~~

✓ USTR

Our trading partners consider fast-track an essential ingredient for successful trade talks. We have that authority now, and we <sup>will</sup> ~~will~~ need <sup>to keep it if</sup> 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

✓ Labor  
(USTR concurred)

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.

<sup>A</sup> ~~The~~ North American Free Trade Agreement with Canada, our largest trading partner, and Mexico, our third largest partner, ~~will~~ <sup>would</sup> create the largest, richest market in the world. Think about it: 360 million consumers and \$6 trillion <sup>in</sup> 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 130 percent in the past four years, <sup>topping</sup> \$28 billion in 1990.

✓ AS  
✓ USTR

✓ USTR

✓ USTR

✓ TRON

✓ USTR wanted to add after 11.5 billion and excluding oil trade we have 2.7 billion in surplus. Last time Treasury & others objected to phrasing it in this manner so we recommend not incorp. that USTR comment.

This export boom has created <sup>an estimated 264,000</sup> ~~more than 300,000~~ new jobs in the <sup>to Mexico</sup> United States. And each additional billion dollars in exports <sup>to Mexico</sup> creates <sup>almost</sup> 20,000 new jobs here in the United States.

✓  
USDC  
Commerce

✓  
Commerce  
USDC  
USDC  
to Mexico

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

~~Some have raised concerns about our negotiations with Mexico. 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 <sup>those</sup> ~~their~~ concerns. I gave them my personal commitment to close bipartisan cooperation in the negotiations.

✓  
USDC

✓  
USDC

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, ~~particularly in agriculture.~~ Our negotiators will

✓  
USDC

address these concerns in provisions of the North American Free Trade Agreement by <sup>ensuring an adequate period</sup> ~~leaving the transition~~ for import-sensitive industries. We are <sup>also</sup> committed to working with Congress to ensure that there is assistance and retraining for any dislocated

✓  
USDC

✓  
USDC

workers. At the same time, it is worth noting that the agreement will create high-wage high skill jobs in <sup>manufacturing in such areas</sup> ~~computers, telecommunications and electronics, communications, manufacturing and other industries.~~ Furthermore,

✓  
USDC

as Mexico develops further, it will need even more of these high tech goods and services. Those goods and services <sup>are more likely to come</sup> ~~will come~~ from the United States <sup>than anywhere else in the world given Mexico's</sup> propensity to buy American.

✓  
Commerce  
Treasury

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 expire <sup>or are weakened.</sup> The United States must ✓ USTR 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.

# # #

WHITE HOUSE STAFFING MEMORANDUM

91 APR 30 4:59 PM

DATE: 04/29/91 ACTION/CONCURRENCE/COMMENT DUE BY: 1:00 p.m. Tuesday 04/30

SUBJECT: PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
(04/29 2:30 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KRISTOL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, no later than 1:00 p.m., Tuesday, 04/30, with a copy to this office. Thanks.

RESPONSE:

TO: TONY SNOW

April 30, 1991

NSC concurs with the attached.

*Brent Scowcroft*  
Brent Scowcroft

PHILLIP D. BRADY  
Assistant to the President  
and Staff Secretary  
Ext. 2702

cc: Phillip Brady

91 APR 29 PM 8:00

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

**PRESIDENTIAL REMARKS: SOCIETY OF BUSINESS WRITERS AND EDITORS  
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, which should free that capital for new jobs.

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

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God bless you all and thank you.

# # #

THE WHITE HOUSE  
WASHINGTON

April 30, 1991

MEMORANDUM FOR THE PRESIDENT

THROUGH: TONY SNOW *TS*  
FROM: MARY KATE GRANT *MLG*  
SUBJECT: REMARKS TO SOCIETY OF AMERICAN  
BUSINESS EDITORS AND WRITERS

I. SUMMARY

Attached for your review are draft remarks for the Society of American Business Editors and Writers, to be delivered on Wednesday, May 1 at 12:15 p.m. at the Washington Marriott. You will address approximately 110 members of the business press.

II. DISCUSSION

Your remarks are about 10 minutes in length and will be on speechcards. You frame the fast track issue as crucial to economic growth, as well as outline the contents of your response to Congressional concerns about the North American Free Trade Agreement.

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.**

((Acknowledgements))

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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 package**. 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.**

In recent years, trade has kept our economy growing. Merchandise exports have risen 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.

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 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

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 130 percent in the past four years, reaching \$28 billion last year. This export boom has created an estimate 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 now have time for two questions.

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