

Originally Processed With FOIA(s):
2025-0878-F

FOIA Number:
2025-0878-F

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: Dan Quayle Vice Presidential Records
Collection/Office of Origin: Deputy Chief of Staff's Office
Series: Porter, Richard W., Files
Subseries: Subject Files

OA/ID Number: 21805
Folder ID Number: 21805-025

Folder Title:
Detroit, Michigan 9/30/92

Stack:	Row:	Section:	Shelf:	Position:
G	34	6	5	7

Michigan/Detroit
9/30/92

Document Originally
Attached to
Following Page

Detroit

[DRAFT 9/28, 9:30 p.m.]

REMARKS BY THE VICE PRESIDENT
MADE IN AMERICA FOR THE WORLD EDUCATION CONFERENCE
COBO CENTER, DETROIT MICHIGAN
WEDNESDAY, SEPTEMBER 30, 1992

o Acknowledgements

Earlier this month, the President announced the Agenda for American Renewal right here in Detroit. He set out a six-part action plan for renewing growth in America that integrates foreign, domestic and economic policy. Since then, he has discussed the Agenda xx times in xx states. He is, as your Governor put it so well, the "man with the plan."

The challenge of the 90's is to win the economic competition, to win the peace. We have set out a detailed plan for building on our position as a military, economic and export superpower to create a \$10 trillion economy by the first years of the 21st century.

We believe the key to unleashing economic growth is lower taxes, limited government, less regulation, more competition, more open trade. We believe the key to helping people is to empower people to make their own choices, giving them incentives to act responsibly and the means to realize their own dreams, whatever they may be.

Compare our plan to that of our opponents. They believe the key to renewed growth is higher taxes, more government spending, more regulation, less competition and less open trade. They believe in giving the "best and brightest" of the liberal intelligentsia the power to choose for the rest of us, to create a new state conceived by the liberal elites.

Just two weeks ago, Governor Clinton said to a group of donors in Beverly Hills that he wants Hollywood to write a new future for America. Well, he can put his faith in the screenwriters, actors and directors of Hollywood, but the President and I believe the future of our nation is being written by the engineers, the welders, the designers, the entrepreneurs and all the hardworking people right here in Detroit, Michigan.

This conference, Made in America for the World, pulls

together two of the six points set out in our Agenda: education and trade. It is a celebration of our future, because America's future will be built on manufacturing, not the manufactured dreams of Hollywood. The other side would like you to believe our future is bleak, that we are losing the global race. Well, let me point out a few facts:

- o The United States did not de-industrialize during the 1980s. Twenty-three percent of our GNP comes from manufacturing -- which is actually more than the percentage in 1980.
- o The American worker is 32 percent more productive than a worker of our closest competitor. In other words: what the Japanese worker can produce in five days, the American worker can produce in less than four.
- o The products America ships abroad are high-tech, leading-edge products built by a highly skilled workforce. Capital equipment exports, such as industrial machinery, computers and aircraft, have risen from 30% of our exports in the late 1960s to 41% today.
- o After adjusting for inflation, American GDP has grown 150

percent since 1959, but merchandise exports have grown 590 percent in the same period.

And to those who say we can't compete with low-wage nations, like Mexico, I say think again.

- o Since 1987, U.S. exports to Mexico have virtually doubled. Michigan's exports to Mexico have increased 51% since 1987, driving the total growth of Michigan exports up 28% since 1987.
- o Michigan's exports of industrial equipment, computers and fabricated metal products grew fastest, so that by 1991, transportation equipment accounted for 50% of all exports to Mexico, down from 76% in 1987.
- o Canada is still Michigan's biggest trading partner, but today Michigan companies are exporting to 160 countries around the world.
- o Much of the growth in our exports is coming from developing countries -- where wages are lower than they are here. Still, exports to South America grew 27%, exports to the

Middle East grew 36% and to China by 31% last year alone.

Trade creates jobs, good jobs at good wages too.

Independent studies show that export-related jobs have soared. Today, more than 7.2 million Americans owe their jobs to exports, a 42% increase over 1986. In Michigan alone, XXX thousand workers depend on trade for their livelihood. And because we are exporting the most advanced products requiring high skills, these jobs pay 17% more than the average salary.

The message should be loud and clear by now: the future of our economy depends on our ability to export manufactured goods. There are two keys to increasing exports. One, we need open markets for our products abroad. And second, we need to increase the skills of our workers at home to maintain our competitive edge. We understand the message. That's why opening markets and improving education are also the first two points of our Agenda for American Renewal.

The North American Free Trade Act is the first step. It will pull down Mexican tariffs that are on average X percent higher than our tariffs and it will speed the growth of Michigan's exports to Mexico. Plus, tough new rules of origin

will prevent other countries from using Mexico as merely an export platform. Indeed, the automobile provisions should encourage manufacturers to source even more parts and components from North American companies.

Already, manufactured exports to Mexico and Canada support 260,000 jobs in Michigan -- and have created 48,000 new jobs since 1987. NAFTA will create thousands more new jobs in Michigan in the years to come by speeding the growth of exports.

After NAFTA and the latest GATT round of talks are completed, we will launch other free trade initiatives in Asia, Europe, especially Eastern Europe and the former Soviet Union, and throughout South America. Ultimately, we believe free trade and open markets should follow the spread of democracy around the globe. Democracy and open markets are the keys to building the New World Order of global peace and prosperity.

After all, free trade and open markets go hand in hand with the spread of political freedoms. Political and economic liberties reinforce each other and are essential to individual liberty and empowerment. Vesting consumers instead of bureaucrats with the power to choose is the essential difference

between free countries and socialist countries. And the great lesson of the historic contest between socialism and freedom over the last century is that freedom works better.

Sadly, every generation must relearn the same lesson. The forces of protectionism are still strong in the land -- and our opponent Governor Clinton has been singing the protectionist tune lately. Once he was for NAFTA, but now he's not sure. Who knows what song he'll be singing tomorrow. But inconsistency doesn't faze Bill Clinton, nothing does. As a matter of fact, it's easier to make Madonna blush than Bill Clinton.

Bill Clinton needs to learn the lesson Smoot-Hawley taught us 60 years ago. Times were tough in 1929 and 1930 too. Then, as now, many thought the way to save jobs was to hide from international competition. So, Congress passed the Smoot-Hawley bill, which set the highest tariffs in U.S. history -- a 59% average import duty. Thirty six countries and 1000 economists warned Hoover about the bill, but he signed it anyway.

By 1932, 60 nations adopted stiff tariff increases. The results of this disastrous policy speak for themselves: Between 1929 and 1933, total U.S. trade -- both imports and exports --

dropped 66%, our GNP dropped 30% and our unemployment rate rocketed from 3.2% to 25%.

As free trade collapsed around the world, totalitarian regimes rose up. As governments stepped in to protect industries, people found their political liberties were eroded too. In some cases, the centralization of power to government during the 30's was relatively benign, as in this country. In other cases, the loss of political liberty was profound. Why? Protectionism is based on the idea that the good for many should be sacrificed to benefit a few.

If you buy that idea, than you are no democrat. Prices go up, consumer choices are limited and the little guy, the family struggling to get by, is hurt the worst. That's why from the turn of the century until after World War II, the Liberals in England and the Democrats in this country were the parties supporting free trade. Ironically, those espousing the ideas of protectionism today still call themselves Democrats.

Regulations can be barriers to trade too -- that's the source of much of our trade friction with Japan. We have worked hard to bring down those barriers as well with much success.

Last January, the President extracted a commitment from the Japanese to solve 14 long standing safety, certification and emission disputes that will make it easier for us to access their market. And the Japanese auto companies announced plans to procure U.S.-made auto parts at an annual rate of \$19 billion by 1994.

Sometimes we let our own regulations hurt our ability to compete as well. The Corporate Average Fuel Economy (or CAFE) rules are one such example. Governor Clinton has endorsed raising the standard up to 45 MPG and Al Gore introduced a bill to increase CAFE to 40 MPG. Well, we already know that he thinks cars are the greatest national security threat we face today, so auto workers and their families should eye their plans carefully.

The National Academy of Sciences studied their CAFE proposal and determined that the proposed increases aren't even technically feasible. And as the Washington Post reported this weekend, the most fuel efficient cars are the worst selling. Maybe that's because consumers know what our opponents don't -- smaller cars are less safe. An April, 1991 NHTSA report estimated that 2,000 more occupant fatalities per year and 20,000 more moderate to serious injuries per year were caused by the

CAFE rules already in place during the 1970s. Forcing consumers to buy smaller cars than they want benefits foreign car makers -- which generally have smaller product lines. And finally, some consumers will put off buying new cars, opting to buy larger used cars instead.

This all adds up to bad news for American auto workers. We heard from one parts supplier that one of the Big Three was even considering moving an entire assembly plant out of the U.S. to get around one provision of the CAFE rules. The job loss figures vary. One study says the loss would be as much as 300,000 jobs, but even if the actual loss is half that much or a third as much, we believe it is still too many jobs to sacrifice.

We prefer a different path. We believe in increasing consumer choice, not reducing it. We believe in lower prices, not higher. We believe in producing quality products, not protecting work that could be better. We believe the American worker can compete and win without hiding from anyone.

But we know competition, and the constant change that comes with it, can be unsettling. Our workers need to know that their government will help them through the tough times and help them

prepare for a world of constant change. That's why worked so hard to improve our job training system, work that culminated in the creation of the Job Training Partnership Act signed into law 10 years ago next month.

JTPA brought market principles to bear on job training. We decentralized decisionmaking to local communities through the Private Industry Councils and created incentives for on the job training where possible. Recently, we proposed new initiatives to build on JTPA, extending market principles further by giving those receiving aid even greater choice.

However, we know that some people will lose the jobs they have today as we move to a more open global market. I understand that it is cold comfort to say that even more jobs will be created. That's why last month the President announced a \$10 billion retraining program to help workers through the transition toward the higher paying jobs that come with freer trade. We are just as committed to easing the pain of open markets as we are committed to achieving the benefits of maximizing consumer power.

As you know, for the next generation to thrive in the New World Order, education will be vital. We need to create schools

that are second to none in the world if we are to achieve the National Goal of being first in the world in math and science achievement.

Our gameplan for improving education for the next generation has two parts. First, we need to establish standards against which performance is measured by greater testing. Second, we believe parents should have the power to choose schools for their children -- and they ought to have a variety of schools to choose from.

The national education goals developed by the President with the Governors -- including Governor Clinton -- set a target for us to achieve over the next decade. We believe voluntary national tests in the core subjects are necessary to measure our progress in that direction. And we think schools should be held accountable for their performance by increasing parental choice.

Today not everyone has the same power to choose. Some, such as Senator Gore, had the good fortune to be born into families that could afford private schools. Some, such as my family, chose to live in neighborhoods with good public schools -- I attended X in my childhood. We think everyone should have the

same power to choose that the Gore family had. The President proposed the G.I Bill for Kids which would provide a voucher to lower income families to help them pay the cost of any school, public, private or parochial, they might choose.

We also believe parents should have a wider variety of schools to choose from, which is why the President has called for the creation of America 2000 schools. Working with private design teams, our Administration has stimulated the greatest rethinking of education since the creation of public schools over a century ago.

So, we salute you, Governor Engler, Heinz Prechter and everyone else for making this conference a reality. We are working toward the same goal of increasing our exports and building the education system needed to do the job. We are ^{the} party that offers a New World Order based on an old idea: people should be free to pursue their own vision of life, liberty and happiness. We are the party that learned the lesson of the last century. We are the party that has more faith in consumer choice than in the best and brightest bureaucrats. And President Bush is, as Governor Engler said, the man who has the plan.

Farm equipment background

- Camm's big announcement

Bill
Burrow

Daytona -

School choice type event -

rally at a ~~catholic~~ christian school

U.S. Department of Commerce
Office of Automotive Industry Affairs

Fax Cover Sheet



Date: _____

We are transmitting 5 pages, including this cover sheet. If you do not receive all pages or an adequate transmission, please call: { } Office of the Director, 202-377-0554; { } Motor Vehicle Division, 202-377-0669; { } Automotive Parts and Suppliers Division, 202-377-1418; or { } Market Promotion Division, 202-377-0671; as checked. Our fax numbers are 202-377-0674 (primary) or 202-377-5872.

Message from: Al WhenerThis document is for: Dana Marshall

Organization: _____

FAX Number: _____ Tel: _____

Memorandum:

Attached is general industry background
We're updating our Trade papers for you.

MOTOR VEHICLE INDUSTRY: U.S. MARKET AND TRADE TRENDS

U.S. Market Forecast and Outlook: New car and light truck sales were up 4 percent through the first seven months of 1992. If consumer confidence, disposable income, and employment turn upward soon, sales for the year could increase 6.5 percent over 1991's total of 12.3 million units, reaching 13.1 million units. Pent-up demand and the need to replace a large volume of 6-12 year old cars and light trucks (pick-ups, vans, sport-utilities), may result in the fourth quarter of 1992 marking the beginning of a moderate growth period lasting through 1997.

The U.S. Big Three: During 1992, the share of the domestic car and light truck market supplied by GM, Ford, and Chrysler nameplates will reverse the downward trend evident for many years, rising to 73 percent for the year. Through the first seven months, their share increased 1.2 points to 72.4 percent. They finished 1991 with a 69.9 percent share. The Big Three earned \$500 million in 1Q92 (first quarter of 1992), following 1991's worst-ever yearly loss of \$7 billion. Chrysler earned \$178 million in 2Q92. Ford reported 2Q92 earnings of \$502 million. GM generated an operating profit of \$392 million, but a restructuring charge for Hughes Aircraft resulted in a 2Q92 net loss of \$357 million.

Ford acquired a 50 percent share of Mazda's Flat Rock, Michigan, assembly plant this spring. Ford produces in the U.S. a sport utility vehicle for Mazda, as well as a minivan engineered by Nissan, which shares in that vehicles' production. GM's California joint venture with Toyota is scheduled for renegotiation in 1996. Last fall, Chrysler sold its share of its Illinois joint-venture with Mitsubishi to the latter, but retained rights to a share of the plant's output.

Japanese Auto Firms: The Japanese nameplate share of the U.S. market was 21.9 percent in 1989, rising to 26 percent in 1991. Due to a variety of market and political factors, their 1992 share could fall to 23 percent. U.S. production by the Japanese-affiliated firms will rise from 1.5 million cars and light trucks in 1991 to about 1.9 million in 1992. Toyota will introduce Japan's first almost-full-size pick-up truck this fall, which is expected to strongly challenge the Big Three in their most profitable segment.

European Manufacturers: Several European manufacturers terminated or curtailed their U.S. marketing efforts in 1991. They were wounded by the weak market, the imposition of the luxury car tax, and by greatly increased competition from Japanese--and also from U.S.--luxury car lines. We predict a 4 percent share for 1992, down just slightly from 1991. Starting in early 1993, the European share will probably begin a slow recovery spread over several years. In June, BMW announced it will invest \$300 million in South Carolina for its first foreign-based plant. The first vehicle, for which South Carolina will be the sole source, is due off the line in 1995. Annual volume will eventually reach 75,000 units.

Trade: Worldwide exports of U.S.-made passenger cars and trucks will probably grow to \$18 billion in 1992, rising 6.5 percent over 1991's total of \$16.9 billion. General imports of motor vehicles will advance 2.6 percent over 1991's total of \$54.6 billion to a total of \$56 billion. U.S. unit imports from Japan will decrease significantly, while their value will drop only slightly to about \$22 billion. Exports to Japan will rise about 4 percent to \$780 million. Our imbalance with Japan will drop to \$22.1 billion, a decline of 3 percent.

Most Japanese exporters to the United States are shifting to lower volume, but higher value luxury and niche vehicles. Over time this will contribute to the further lowering of U.S. unit imports from Japan, while values continue to rise. Big Three and Japanese-affiliated motor vehicle exports from the United States will grow modestly in 1992, principally by the Big-Three to Mexico and Europe, and by the affiliates to the Far East.

Prepared: TD/OAIA/RMiller/8-12-92

U.S. AUTOMOBILE INDUSTRY FACT SHEET

Data Assembled by TD/OAIA As Of 8-11-92

New Car and Light Truck Unit Sales, U.S. Market

Units, Millions	1989	%Chg (PY*)	1990	% Chg	1991	% Chg	1992 fcast	% Chg	J-July 1992	%Chg (YA*)
Total	14.6	-5.2	13.9	-4.8	12.3	-11.5	13.1	+6.5	7.62	+4.0
All Local	11.2	-4.3	10.9	-2.7	9.8	-10.1	10.7	+10.3	6.21	+6.7
Imports	3.4	-8.1	3.0	-11.8	2.5	-13.3	2.4	-7.7	1.41	-8.6
frm Japan	2.5	-7.4	2.3	-8.0	2.0	-13.0	1.8	-10.0	1.10	-6.8

* PY=Previous Year YA=Year Ago, Cumulative

New Car and Light Truck Total Nameplate Unit Sales and Shares, U.S. Market*

Units, Mill.	1989	%	1990	%	1991	%	1992f	%	J-Jy/92	%
Big Three	10.6	72.6	9.9	71.2	8.6	69.9	9.6	73.0	5.52	72.4
Japanese	3.2	21.9	3.3	23.7	3.2	26.0	3.0	23.0	1.88	24.7
Others	0.8	5.5	0.7	5.1	0.5	4.1	0.5	4.0	0.22	2.9

* Vehicles with Manufacturers' Nameplates, Irrespective of Where Made or By Whom

U.S. International Trade Flows, Motor Vehicles*

Dollars, Billions	1989	% Chg. (PY)	1990	% Chg. (PY)	1991	% Chg. (PY)	1992 fcast	% Chg. (PY)	J-Mch 1992	% Chg. (PP*)
IMPORTS										
World	54.7	-4.0	54.9	+0.4	54.6	-0.5	56.0	+2.6	13.7	+5.1
Japan	23.1	-1.7	21.5	-6.9	22.6	+5.1	22.0	-2.7	5.8	-5.4
EXPORTS										
World	14.0	+15.7	13.8	-1.4	16.9	+22.5	18.0	+6.5	4.2	+10.7
Japan	.6	+67.7	1.0	+66.7	0.75	-25.0	0.78	+4.1	0.21	-3.7
BALANCE										
World	-40.7	-9.3	-41.1	+1.0	-37.7	-8.3	-38.0	+0.8	-9.5	+2.7
Japan	-22.5	-3.0	-20.5	-8.9	-21.8	+6.3	-21.2	-2.8	-5.59	-5.3

* "General Imports," Which Excludes Vehicles Assembled in U.S. Free Trade Zones. PP=Previous Period

Big-Three's: World S&I/U.S. Car & Lt. Truck Production/U.S. Hourly Employment

Dollars, Billion; Production, Mill.	1989	% Chg	1990	% Chg	1991	% Chg	1992 1st Sx	% Chg*
World Sales, \$	258.3	+3.1	253.0	-2.1	228.0	-9.9	136.1	+14.0
Net Income, \$	8.4	--	-1.1	--	-7.5	--	.8	--
U.S. Production	9.4	-4.1	8.1	-13.8	7.1	-12.3	4.1	+17.1
Percent of Total U.S. Production	88.7	-1.3	84.4	-4.8	82.6	-2.1	83.7	+2.8
Hourly Emp.(000)	472.9	-4.6	437.9	-7.4	409.1	-6.6		

* From Previous Period

U.S. AUTOMOTIVE PARTS INDUSTRY: U.S. MARKET AND TRADE TRENDS

Industry Shipments and Forecast: Following a six-year peak in 1988, industry shipments have fallen 21 percent to total an estimated \$78.4 billion in 1991. Shipments are forecast to grow 8.3 percent in 1992 to total \$84.9 billion.

Employment: Since 1988, industry employment has dropped 13 percent to an estimated 565,000 in 1991, including 448,000 production workers. 1992 employment is forecast at 530,000, down 6.2 percent from 1991.

Number of Establishments: From 1988 to 1991, the number of parts-producing establishments fell by about 5 percent. Supplier consolidation has played a major role in the decline, with the merging of lower-tier suppliers; however, the number of supplier bankruptcies has ballooned, especially since 1990.

Japanese Investment in the U.S. Automotive Parts Industry: About 183 Japanese companies have invested in 281 U.S. auto-parts plants, 151 (54 percent) of which are wholly owned subsidiaries and 130 (46 percent) of which are joint ventures, mostly with U.S. firms. Sixty-nine of the 183 investors are affiliated with a Japanese vehicle assembler, with the remaining 114 being independent parts companies.

About half of the Japanese parts suppliers operating in the United States are selling to both the Big Three and U.S.-based subsidiaries of Japanese automakers.

U.S. Sourcing by Japanese Automakers: Purchases of U.S. parts by Japanese automakers have increased by about 36 percent annually since 1985, growing from \$1.7 million in 1985 to \$10.5 million in 1991.

The Japanese are increasing their purchases of U.S. parts that are more directly tied to vehicle design. Japanese purchases of engine parts have been growing steadily, from \$205.8 million in 1985 to \$1.4 billion in 1991.

As a result of President Bush's January 1992 trip to Japan, Japanese automakers pledged to increase U.S. parts purchases to \$19 billion annually by 1994.

About 1,884 U.S. suppliers produce parts for both Japan- and U.S.-based Japanese automakers, up from 1,046 in 1988.

Trade: In 1991, the United States recorded a \$5.6 billion overall parts deficit despite having an \$9.2 billion imbalance with Japan. This translates into a \$3.7 billion surplus with all trading partners except Japan.

Since 1985, the U.S.-Japan automotive parts deficit has tripled, and in 1991 it accounted for 21 percent of the \$43.4 billion bilateral merchandise trade gap. Although the U.S.-Japan parts deficit shrank in 1990 and 1991, this can be mainly attributed to the global automotive recession. First quarter 1992 data indicate the deficit is set to grow again, with exports dropping 16 percent and imports rising 7 percent compared to first quarter 1991.

Increased Japanese sourcing of U.S. parts this has done little to alleviate the growing parts imbalance with Japan, as only a small share of the purchases have been exported to Japan, with the majority supplying the Japanese automakers manufacturing in the United States. The long-term outlook is for a growing U.S.-Japan parts deficit, with sources foreseeing an \$18.3 billion deficit in 1994, more than double that of 1991. Also, the parts imbalance is predicted to account for an increasing share of the total bilateral automotive deficit.

Prepared by: MASlater, ITA/TD/BI/OALA/APSD, 377-1420

U.S. AUTOMOTIVE PARTS INDUSTRY FACT SHEET

Prepared August 1992

Profile of the U.S. Automotive Parts Industry

	1988	1989	88-89 %Chg	1990	89-90 %Chg	1991	90-91 %Chg	1992	91-92 %Chg
Industry Shipments* (\$ billions)	99.6	94.2	-5.6	86.1	-8.6	78.4	-8.9	84.9	8.3
Total Employment (000)	647	630	-2.6	602	-4.4	565	-6.1	530	-6.2
Number of Establishments	4,309	4,255	-1.2	4,200	-1.3	4,100	-2.4	4,000	-2.4

Note: 1990-92 figures are estimates.

* In constant 1987 dollars

Japanese Purchases of U.S. Automotive Parts for Use in Japan and in the United States

(In billions of dollars)

	JFY 1985	JFY 1986	JFY 1987	JFY 1988	JFY 1989	JFY 1990	JFY 1991
Total	1.7	2.5	3.1	4.9	7.1	9.1	10.5
Annual % Change	N/A	44.2	26.0	56.6	45.1	27.4	16.0

Note: The Japanese Fiscal Year (JFY) is April 1-March 31.

Table 3: U.S. Automotive Parts Trade, 1988-First Quarter 1992

(in billions of dollars)

	1988	87-88 %Chg	1989	88-89 %Chg	1990	89-90 %Chg	1991	90-91 %Chg	Q1 92	Q1 91-92 %Chg
EXPORTS										
World	17.4	20.6	17.8	2.1	23.0	29.0	24.2	5.6	5.4	4.0
Japan	0.45	74.1	0.64	41.5	0.83	30.6	0.8	-4.0	0.2	-16.0
IMPORTS										
World	31.0	15.4	33.2	7.3	32.1	-3.5	29.8	-7.1	8.0	14.0
Japan	9.3	22.5	11.2	20.2	10.6	-4.9	10.0	-5.5	2.7	7.0
BALANCE										
World	-13.6	8.8	-15.5	14.1	-9.1	-40.9	-5.6	-38.9	-2.5	47.5
Japan	-8.8	20.7	-10.6	19.2	-9.8	-7.1	-9.2	-5.6	-2.5	10.0

Department of Commerce
Office of Automotive Industry Affairs

Fax Cover Sheet



Date: _____

We are transmitting 5 pages, including this cover sheet. If you do not receive all pages or an adequate transmission, please call: { } Office of the Director, 202-377-0554; { } Motor Vehicle Division, 202-377-0669; { } Automotive Parts and Suppliers Division, 202-377-1418; or { } Market Promotion Division, 202-377-0671; as checked. Our fax numbers are 202-377-0674 (primary) or 202-377-5872.

Message from: Al WarnerThis document is for: Dana Marshall

Organization: _____

FAX Number: _____ Tel: _____

Memorandum:

Attached is our Trade Paper.We'll send Q's + A's and Michigan
Trade data later this afternoon.

SIGNIFICANT MOTOR VEHICLE INDUSTRY TRADE ISSUES

Japan's Share of the U.S. Market and Big Three Access to Japan's Market

- o To prevent further erosion of their U.S. markets, the Big Three and the labor unions are lobbying with varying degrees of stridency for restraints on both imports and local production by the Japanese, and for improved access to the Japanese market. The Big Three assert that there is no independent dealer network in Japan to which they can gain access, and that Japanese emission and safety homologation procedures are unnecessarily onerous.
- o The Big Three have a 0.28 percent share of Japan's auto market. Their sales dropped from 16,000 to 13,800 in 1991. Shipments from the Japanese U.S. plants supply another 0.25 percent of the Japanese market and are growing rapidly. Their sales were 13,000 in 1990 and 16,000 in 1991. Total imports account for just 4 percent of the total new car market in Japan.
- o Japan responded to the President's January 1992 visit by committing to develop a package of financial incentives for foreign vehicle importers. In addition, the Ministry of Transport proposed solutions to 14 long standing vehicle safety and emission standards and certification issues, and indicated willingness to address any other such problems.
- o USG and Big-3 representatives met with an MOT delegation in March to review their proposed resolution for the 14 issues. While three problems have been satisfactorily resolved, the balance have yet to be settled.
- o Detroit remains firm in asserting that Japan should accept certification to U.S. pollution standards as being adequate proof that their vehicles will pass Japanese standards. They claim that once they pass EPA tests, they never have to change equipment to comply with Japan's requirements.
- o In April the Big-Three gave the USG a paper describing 12 new issues. Commerce will head an interagency team that will meet with MOT in late September in Tokyo to review these, and to continue to seek satisfactory resolution of the original group of issues.
- o MOT has doubled to 2,000 the number of vehicles of a particular model that may enter under a "preferential handling procedure" (PHP) that reduces somewhat the burden of complying with the type approval procedure that domestic manufacturers must follow. Further, up to 3,000 units may be imported under PHP, if an application for type approval is being processed.
- o During the President's visit, the Japanese auto makers expressed willingness to represent the Big-Three, and stated they will increase imports from their own U.S. plants. (Ford already has a marketing joint-venture with Mazda. GM relies

upon Yanase, a private importer, and upon Suzuki and Isuzu. Chrysler has its own network, plus an agreement with Honda, neither of which has lived up to Chrysler's expectations.)

- o Additionally, Japanese auto companies announced plans to procure U.S.-made auto parts at an annual rate of \$19 billion, by JFY 1994. The Japan FTC also committed to review the domestic auto and parts industries from a competitive policy perspective.
- o Commerce and MITI are funding research to identify and assess all factors inhibiting Big-3 sales in Japan. The contract was awarded in February to a joint American-Japanese team of independent research houses. The study is expected to be concluded this summer, for use in the next expert-level MOSS talks scheduled for late September.
- o Various bills to control the Japanese share of the U.S. market now are being debated. H.R.5100 passed the House after a provision to cap the market share of U.S.-produced Japanese cars was eliminated, and is now being considered by the Senate.
- o H.R. 5100 limits Japanese imports to 1.65 million units until the EC-Japan restraint expires in 1999; requires Japan to meet the collective \$19 billion objective for purchasing U.S.-parts that was announced during the President's January 1992 visit by the Japanese vehicle producers, requires 70 percent local content in all vehicles produced in the United States, and requires improved access to the Japanese market for U.S. vehicles and parts.

Minivan Dumping Petition

- o The Big Three filed with the Department on June 20, 1991, a petition alleging that Toyota, Mazda, Mitsubishi and Nissan are selling minivans in the United States at less than fair value.
- o While Commerce found that Mazda and Toyota were dumping, the ITC ruled this June that no material injury had, or was likely to result, and the case was terminated. In August, the Big Three indicated that they will file an appeal with the U.S. Court of International Trade. Detroit had earlier intimated that it might file an additional dumping petition against Japanese luxury vehicles.

North American Free Trade Agreement

- o Negotiations have been completed for the creation of a North American Free Trade Agreement between the U.S., Canada, and Mexico. Of the three countries, during both the medium and long term, Mexico has the greatest

potential for exponential growth in auto consumption.

- o Access to the Mexican market had been effectively closed, controlled by a formula linked tightly to local production. Imports of used autos are totally prohibited.
- o The Big Three supply over half of the Mexican market from their factories there, and also ship about 260,000 units annually to the United States. Nissan and Volkswagen also produce cars in Mexico for the local market and for export. VW ships to the United States, Nissan to Central America.
- o The USG is gaining the elimination of all Mexican market intervention measures, but in such a way that companies that have already made major commitments to produce in and employ workers of the member countries will gain the most from the creation of a major "borderless" marketing area.
- o A successfully concluded agreement may open the way for similar arrangements with other Latin and South American countries.

Light-Truck Tariff Reclassification

- o The industry effort to reclassify light trucks was defeated in the U.S. Senate on September 26, by a vote of 37-36. This issue is explained below.
- o Several bills were drafted to reclassify 4-door multi-purpose vehicles and minivans as trucks for purposes of import duty assessment. This would raise the tariff rate from 2.5 percent to 25 percent, and most likely eliminate most imports of such vehicles from Japan, Germany, and the UK.
- o Should this legislation pass, GATT rules probably would require the United States to provide the equivalent of \$500-\$800 million in tariff concessions to Japan and the EC.
- o Most versions of this legislation argued that the Customs classification should be consistent with determinations made by EPA and DOT that treat these vehicles as trucks. However those agencies' definitions are based primarily upon weight and size considerations, while classification for tariff purposes for the Harmonized Tariff System are determined primarily by intended use.
- o Under the bills being considered, any change in a vehicle's classification by DOT or EPA for good cause relative to their regulations could automatically require a change in the tariff classification of a vehicle.
- o Also, DOT has started to apply to light trucks (pick-ups, sport utilities, and other

multi-purpose vehicles) all of the crash avoidance and occupant safety regulations that now are required of passenger cars. DOT has taken this step because these vehicles are now purchased primarily by consumers, who use them mostly to transport people. Such purchases far exceed those made by commercial operators to transport cargo. DOT's action tends to validate the appropriateness of the current tariff classification.

- o During testimony on April 8 before Congress regarding the Trade Enhancement Act of 1992, H.R. 4100, Former Commerce Under Secretary Farren affirmed the Administration's opposition to reclassifying multipurpose light trucks under 87.04.
- o USTR, Treasury, and State have testified or written on behalf of the Administration opposing this provision in other bills. The provision was approved in late July by the House as part of a miscellaneous tariff bill, and has also been attached to DOT's appropriations bill, which is scheduled for consideration later this summer. MVMA and the UAW support the provision.

American Automobile Labeling Act

- o In July, Senator Mikulski introduced S. 2232, a bill that would require manufacturers to specify on a visible label, the content and origin of each new vehicle sold in the United States. DOT has testified against this legislation.
- o On September 23, House-Senate Conferees on the DOT Appropriations Bill added a provision requiring information on the source of content in a motor vehicle be placed on a window label. The UAW and the Big Three support this label. The Administration has not taken a position.

Prepared: TD/BI/OAIA/RMiller/428-0669/9-28-92

*This may just have
changed.*

Short Historical Overview of U.S. Trade Policy through World War II

- Since the founding of the Republic, U.S. trade policy has fluctuated in response to the economic and political exigencies of the country's development.
- The first tariff bill was introduced in 1789 by Speaker of the House James Madison (the first person to hold that post). Its principal purpose was to raise revenue.
- But during debate before its passage, conflicts developed between northern industrial states, which favored higher tariffs to protect "infant industries", and the southern states, whose agrarian economy would best be served by a freer trade policy which would promote agricultural exports and permit the purchase of cheaper manufactured goods abroad.
- The result: The Tariff Act of 1789 was moderately protectionist.
- Since then, tariffs in the United States have had their ups and downs. But undoubtedly the worse experiment the United States has ever undertaken in international trade policy was to have passed the Smoot-Hawley Tariff Act of 1930.
- The First World War dramatically changed the international trade position of the United States; we became a creditor nation and Europe was immersed in debt. Nationalism, isolationism and protectionism surged in the period after World War I, and led to the introduction of Smoot-Hawley, would establish the highest tariffs in U.S. history - a 59% average import duty. *Posted*
- Smoot-Hawley was a classic beggar-thy-neighbor effort intended to restrict imports and stimulate domestic employment. Thirty-six nations protested that the bill would seriously hurt them, and they would retaliate. And, perhaps in the profession's greatest ever show of unanimity, over 1000 American economists urged a veto. But President Hoover signed it.
- By 1932, 60 nations had adopted stiff tariff increases. The results of this disastrous policy speak for themselves: between 1929 and 1933: U.S. trade - imports and exports - dropped 66%, our GNP dropped 30% and our unemployment rate rocketed from 3.2% to 24.9%!
- In short, Smoot-Hawley significantly worsened an already bad economic situation - you could say it turned what would have been a significant recession into a depression.

- o To reverse this disaster, Congress and the Roosevelt Administration passed the Trade Agreements Act of 1934, which established general trade principles for all subsequent trade legislation in this country. By 1947, just on the eve of the creation of GATT, the average U.S. duty was 50% below the 1934 level.

(see issue paper on U.S. and the GATT for information from formation of GATT in 1948 to the present.)

The Bush Administration's Foreign Economic Policy:
Leading the Way to a More Prosperous America

Nearly two years ago now, after Saddam's invasion of Kuwait, the world looked to the United States for leadership and a plan. We formed the dramatically successful multinational coalition and, working with our allies and the United Nations system, gave peace a chance. When that failed, we used force judiciously to oust the invader.

We did this because of the country we are - because our most cherished principles as a nation - our traditional policy of opposing tyranny and extending freedom - clearly pointed the way. The way President Bush combined the diplomatic and military power of the United States for this just and moral end is a model of America operating at its best.

For this is what makes America unique among the world's nations - we have a national purpose, deeply held by Americans, crossing party lines - an image of ourselves as leaders on the world stage, as a force for good, as a symbol of hope.

But the war, of course, was not fought for altruistic purposes alone - it is manifestly in our interest to have a freer, more stable and more democratic Middle East. And we and other nations are trying hard now to reach that elusive goal.

The Quiet Challenge

American leadership is being challenged again. But this time, it is not to undertake a military campaign. Thankfully, this time, lives are not at stake and there will be no dramatic footage of high-tech weapons striking with incredible accuracy.

But the outcome of this challenge will have the most profound impact on our lives and those of our children, and theirs. The challenge I see is to our economic future, to the economic growth necessary to generate good, stable, productive jobs. It is about creating the economic power to underpin any military challenges we may face in the future. Ultimately, this challenge is to ensure the continued leadership of the United States into the next century and well beyond.

For, ladies and gentlemen, I see this challenge at the greatest test of George Bush and his administration. It is the most important question we face as a nation for it will define the sort of United States in which we will grow old, and in which our children will grow up.

But to be successful, we first need to understand what

lies before us, clearly identify our national interests, not be sidetracked by myths and seemingly easy solutions, and vigorous pursue our goals.

No, this is not a story being reported minute-by-minute on CNN, and the news rarely is front page. Yet this is a challenge which President Bush is successfully facing and in which his policies have enriched America more than most people know.

The Myths

I find it regrettable, but all too understandable, that we continue to hear calls for protectionism. Most seriously, however, is that some advocating these positions seek to lead our country. But their policies would lead us instead to an era of protectionism - just at the time when much of American industry is prospering on a wave of export-led growth.

But, as I said, these misguided policies are somewhat understandable. They stem from an enduring tension between the natural human desire for stability and a recognition of the need for change. As a nation experiences rapid economic and technological change, there is sometimes a sense that it is losing control of its economic destiny.

The temptation is strong to seek to "maintain control" by adopting policies designed to ensure that a nation's assets are owned by its own citizens, by bashing foreigners, by closing markets.

But these policies, sometimes termed "economic nationalism", are born of myths highly resistant to change. They are, ultimately, self-defeating. Let's see why.

Myth: Open trade policies and import growth have "de-industrialized" America.

Fact: In 1990, manufacturing accounted for 23% of our GNP, slightly higher than in 1980.

Myth: Our exports are low-tech products which contribute little to developing skills in America.

Fact: Capital equipment exports (including industrial machinery, computers and civilian aircraft) have risen from 30% of our exports in the late 1960's to 41% today.

Myth: We can't compete with low-wage nations, like Mexico.

Fact: Since 1987, U.S. exports to Mexico have virtually doubled. Studies by independent economists project that the North American Free Trade Agreement with Mexico and Canada, now under negotiation, would lead to a net gain of 130,000 U.S. jobs.

What has International Business Done for Me?

In fact, the economic fate of the United States is more closely linked to developments abroad than ever before in its history. More and more American products and services are being marketed abroad. Exports have now become the single most important contributor to total economic growth in our nation.

This is all for the good - trends and innovations in communications and transportation technology continue to reduce the economic significance of national borders.

International business today not only means jobs and faster economic growth, but a channel to obtain vital technology, and product and management innovations from abroad.

And what does this mean for each American? We have enjoyed the benefits of an open trade and investment regime in many ways:

- export related jobs have soared: today, more than 7.2 million Americans owe their position to exports, a 42% increase over 1986 levels;
- these jobs are good ones, paying some 17% more than the average salary;
- keeping America open to foreign investment - sometimes politically unpopular - is certainly very popular with the nearly 3.2 million Americans who work for these employers, and who receive some \$80 billion in wages from them;
- we enjoy the best products and services from around the world, at the lowest possible prices.
- export competition fights inflation at home, and challenges domestic manufacturers to higher levels of quality and value.

The President's Record - Policies for America's Future

This administration has recognized the huge benefits of international business for America from day one. Competing in the international economy of the future will require us to change, to face new tasks. The President has identified the following areas as especially important contributors to the future competitiveness of America, and has acted:

Education: There is no more important single issue facing America today. In a global economy, maintaining an edge in U.S. productivity through the best qualified workforce is crucial to advancing our living standards. Our education system must produce American workers able to compete with any in the world.

Deregulation: While preserving a level of necessary regulation, burdensome regulations which unduly increase the cost of American goods and services in world markets must be eliminated.

Legal Reform: U.S. product liability laws and the proliferation of lawyers and lawsuits are experiences which the rest of the world has managed to forego. Legal fees are a major burden for American companies.

Cost of Capital: American firms are handicapped by the high cost of capital, which deters productive investments. Initiatives like the capital gains tax cut and investment tax credit can narrow this gap.

And, just as we have sought to keep America open to trade and investment, we expect our trading partners to do the same. The U.S. was instrumental in launching the current round of trade negotiations - the so-called Uruguay Round - in 1986. We led the call to expand the agenda of these talks to include new areas in which the U.S. is most competitive. We will not rest until the world accepts reform in global rules covering these areas.

The President has led global efforts to wrap-up this negotiation, for a very simple reason: We estimate that a successfully concluded Uruguay Round would raise our GNP by a total of \$1.1 trillion over the next ten years - an astonishing \$16,000 for the average American family.

But the Uruguay Round, as important as it is, is not enough. We have seen over the course of the last several years a virtual sea change in the economic and political philosophy in virtually all Latin American and Caribbean nations.

These nations have begun to undertake sweeping political and economic reforms -- reforms intended to modernize their economy, promote growth and improve the lot of their populations.

I know these leaders, and am convinced that they represent a new breed. They are young (yes, even some younger than yours truly), and committed to changing their countries forever for the better.

These Latin nations are not asking for a hand-out -- they want more trade -- and not aid.

Again, President Bush has taken the lead: we are negotiating an historic three-way free trade area with Mexico and Canada. This North American Free Trade Area will result in a market of some 360 million people with a combined output of over \$6 trillion.

When NAFTA becomes a reality, it will hold out the hope for a better life for citizens in all three countries.

The conclusion of NAFTA will also help us make progress on other important issues, such as the cleaning the border environment, controlling drug flow and stemming immigration.

For the other nations of the Hemisphere, the President has launched the Enterprise for the Americas Initiative. This comprehensive package includes elements intended to assist nations which are undertaking political and economic reforms.

The ultimate vision is a free trade area stretching from Alaska to the Tierra del Fuego, an economic counterpart, and fitting complement, to the sweeping democratic reforms in the Hemisphere.

What does this mean for us? Plenty. Since 1986, U.S. exports to Latin America have doubled, creating an additional 600,000 U.S. jobs. And it means more stable nations just to our south.

Through these two negotiations, the opportunity to improve the lives of millions of Americans, and our neighbors and relatives in Latin America, exists today as never before.

Unfortunately, unfair trade practices of our major trading partners persist. Where necessary, the President has acted decisively here as well. President Bush's trade negotiators have opened Japan's markets for U.S. auto parts, satellites, supercomputers, glass, paper, semiconductors, construction services, and many other products and services.

Some opponents of our policies say that these negotiations have done nothing to open Japan. Let's look at the facts: As a result of trade negotiations in these and other areas over past years, U.S. exports of these items increased by over \$4 billion, an increase of 275%! Total U.S. exports to Japan rose by 118% from 1985-91, even higher than the 95% increase of our exports to the world as a whole.

And in Europe, the President's leadership in opening trade barriers has resulted in expanding our trade surplus with the EC to nearly \$17 billion last year.

A Bright, International Trading Future for America

All this leads to one important conclusion: that we Americans have a tremendous opportunity to grow through increased international trade. We are already the world's largest trading nation and the world's largest exporter, including the most important supplier of the key products of the future, like aircraft, computers and other capital goods to the world.

In fact, we continue to show large and growing trade surpluses in advanced technology products. In short, we are solidly competitive internationally.

But these breathtaking international business opportunities did not happen without lots of work. Work by our corporations and their employees, and by entrepreneurs, all across America to innovate, improve production and quality, cut costs and sell aggressively around the world.

And work by the President and his administration in using his position and prestige as the leading international statesman to open markets; launch trade-enhancing negotiations; press for legislation and policies to enhance our international competitiveness and fight off wrong-headed, self-defeating economic policies. I assure you that he will continue this fight which, I'm sure, will intensify even more as we get closer to November.

For this President, who needs to lead America virtually to the beginning of the new millennium, has recognized the new keys to reaching America's traditional goals. That our international economic position is an increasing source of national strength, and needs to be defended and advanced as vigorously as our diplomacy and military assets.

And through his policies and unmatched experience in foreign relations, this President will continue to act to ensure that America always remains in the future the country we have been blessed with living in today - a nation which uses its power for good, just and noble purposes around the world. And which ensures its citizens the economic opportunity which continues to inspire us today.

FACSIMILE TRANSMISSION

SOCIETY OF MANUFACTURING ENGINEERS

One SME Drive, P.O. Box 930

Dearborn, MI 48121 USA

Telephone: (313) 271-1500

Telex: 297742 SME UR

Fax: (313) 271-2861

DATE: September 28, 1992

NUMBER OF PAGES TRANSMITTED:
(including cover sheet)

TO: Rick Porter

FROM: Amy Cammell

EXT.: 438

FAX #: (202) 456-6216

COST CENTER #: 54237

If you did not receive all the pages of this fax, please contact Bernice at
(313) 271-1500, ext. 240.

MESSAGE:

Mr. Porter,

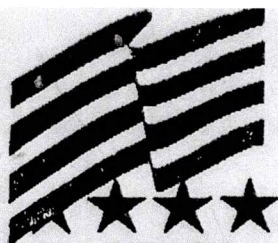
Following are some of the details to be included in the press kit given to
reporters in attendance at the opening of Made In America For The World.

Please let me know if you have any questions.

Thanks,

Amy Cammell

Mildred
(313) 961-5348
9-10 -
Riverfront ballroom
(313) 393-4297
Tim Anderson



MADE IN AMERICA

For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Millwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

MADE IN AMERICA FOR THE WORLD

FACT SHEET

WHAT: "Made in America for the World" is a first-time exposition and conference to showcase the world-class products made in America and to serve as a catalyst for increasing U.S. exports.

WHEN: Wednesday, Sept. 30 to Friday, Oct. 2, 1992

WHERE: Cobo Center, Detroit, Michigan

WHO: A coalition of leaders from industry, government, and academia are spearheading the event:

Executive Committee members include Governor John M. Engler, State of Michigan; Heinz C. Prechter, chairman, President Bush's Export Council and ASC Incorporated; Edward H. McNamara, Wayne County Executive, Detroit; Keith E. Crain, vice chairman, Crain Communications Inc.; James J. Duderstadt, Ph.D., president, University of Michigan; and Dick DeVos, chief executive officer, The Windquest Group.

Producer and manager of event is the Society of Manufacturing Engineers.

EXPOSITION: The exposition is divided into three primary segments: (1) Major manufacturers spotlighting quality products, processes and their export experience; (2) Small and mid-size companies seeking to begin or build export trade; and (3) Companies offering export service expertise.

CONFERENCE: The conference has two tracks: (1) BUSINESS--Business executives gain information on exporting and international marketing; (2) EDUCATION--Students and educators learn how to prepare for the global marketplace of the 21st Century.

AUDIENCE: As a forerunner to a U.S. Trade Fair, the event is expected to attract several groups: (1) U.S. executives, entrepreneurs, inventors, and media; (2) Buyers, distributors, and media from outside the U.S.; (3) Students, educators, and the general public.

CONTACT: Amy Cammell, ext. 438, or Carol Anderson, ext. 294, at the Society of Manufacturing Engineers, One SME Drive, P.O. Box 930, Dearborn, Mich. 48121. Telephone: (313) 271-1500. FAX: (313) 271-2861.

###

EVENT PRODUCER

Society of Manufacturing Engineers

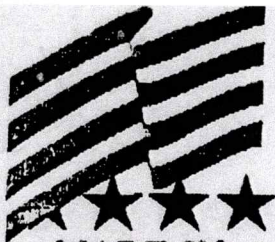
One SME Drive

P.O. Box 930

Dearborn, MI 48121-0930 USA

(313) 271-1500

FAX (313) 271-2861



MADE IN AMERICA For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN EMILER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. OUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Millwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

MADE IN AMERICA FOR THE WORLD

Exhibitors

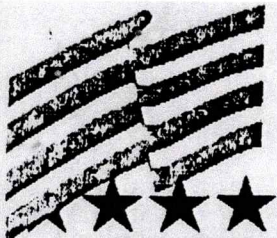
A.N. Deringer, Inc.
Advanced Test Equipment Company
Air Express International
Alken-Ziegler
American Airlines
American Export Register/Thomas Publishing Co.
American Honda Motor Company, Inc.
ASC Incorporated
Astoria Laminations
Arch Associates
British Airways
Central Airfreight Inc.
Chrysler Corporation
Comerica - Manufacturers Bank
Complete Panel Wood Foundations
Conway Products Corporation
Cultural Communications
Crain's Detroit Business International
Engineering Technology Association, Inc.
Falcon Golf Manufacturing
Fawaz International, Inc.
Ford Motor Co. - NAAO Export Sales
Good Impressions
General Motors Corporation
Horizon Enterprises Inc.
Henry Ford Museum and Greenfield Village
IBM Corporation
Information Services Corporation / Wintec
International Vehicle Modifiers
Japan External Trade Organization (JETRO)
John V. Carr & Son, Inc.
Kmart Corporation
Lionel Trains
Management and Unions Serving Together (MUST)
Michigan Center for Excellence
Michigan Tooling Association
Michigan Trade Exchange
MIDA Dental Plans, Inc.
NBD Bank
Northwest Airlines
Parking Solutions
Peer Data Systems
RJF International (Koroseal Wallcoverings)
Sage Industries
Society of Manufacturing Engineers (SME)
State of Michigan Department of Commerce
Superb Manufacturing, Inc.

- over -

BUSH LIBRARY PHOTOCOPY - PRESERVATION

EVENT PRODUCER

SME Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861



MADE IN AMERICA FOR THE WORLD

Co-sponsors/Endorsements

EXECUTIVE COMMITTEE

Governor John M. Engler, State of Michigan
Heinz C. Prechter, chairman of President Bush's Export Council and
ASC Incorporated
Edward H. McNamara, Wayne County Executive, Detroit
Keith E. Crain, vice chairman, Crain Communications Inc.
James J. Duderstadt, Ph.D., president, University of Michigan.
Dick DeVos, chief executive officer, The Windquest Group

PLATINUM SPONSORS

State of Michigan Department of Commerce

GOLD SPONSORS

Wayne County
Horizon Enterprises Inc.

SILVER SPONSORS

Kmart Corporation

BRONZE SPONSORS

The Budd Company
Consumers Power
MERRA
Schmaltz & Co., PC

OTHER SPONSORS

Detroit Edison Foundation
Toyota Motor Sales

ORGANIZATIONS

Center for International Business Education (CIBE)
Dearborn Chamber of Commerce
Greater Royal Oak/Oak Park Chambers of Commerce
Japan External Trade Organization (JETRO)
Metropolitan Detroit Convention & Visitors Bureau
Metro East Chamber of Commerce
Michigan Department of Commerce
Michigan International Office
Michigan State University, International Business Center
Michigan District Export Council (MDEC)
Michigan Export Development Authority (MEDA)
Plymouth Community Chamber of Commerce
U.S. DoC - Detroit / Washington
U.S. Foreign Commercial Service
Wayne Chamber of Commerce
World Trade Club of Greater Detroit Chamber of Commerce
WJBK - TV2, Detroit

MICHIGAN GOVERNMENT

Daniel Murphy, Oakland County Executive
Patrick Johnson, Macomb County, Chairman, Board of Commissioners

**MADE IN
AMERICA**
For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/
ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Midwinters # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broxmfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

BUSH LIBRARY PHOTOCOPY - PRESERVATION

EVENT PRODUCER

Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861

U.S. SENATORS

Carl M. Levin (D., Mich.)
Donald W. Riegle Jr. (D., Mich.)

U.S. REPRESENTATIVES

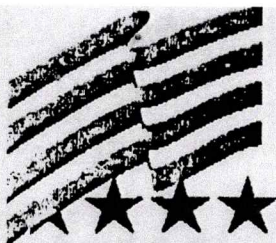
David E. Bonior (D, 12th Dst., MI)
William S. Broomfield (R, 18th Dst., MI)
David Camp (R, 1st Dst., MI)
Bob Carr (D, 6th Dst., MI)
Barbara-Rose Collins (D, 13th Dst., MI)
John Conyers, Jr. (D, 1st Dst., MI)
Robert W. Davis (R, 11th Dst., MI)
John D. Dingell (D, 16th Dst., MI)
William D. Ford (D, 15th Dst., MI)
Paul B. Henry (R, 5th Dst., MI)
Dennis Hertel (D, 14th Dst., MI)
Dale Kildee (D, 7th Dst., MI)
Sander M. Levin (D, 17th Dst., MI)
Carl D. Pursell (R, 2nd Dst., MI)
Bob Traxler (D, 8th Dst., MI)
Frederick Upton (R, 4th Dst., MI)
Guy Vander Jagt (R, 9th Dst., MI)
Howard Wolpe (D, 3rd Dst., MI)

LABOR

Ralph Mabry - Millwrights # 1102
Edgar Scribner - Metro Detroit AFL-CIO
Ken Stewart - Management & Unions Serving Together
Tom Turner - Michigan AFL-CIO

EDUCATION

Association of Marketing Students (DECA)
Center for Creative Studies
Dearborn Public Schools
Detroit Public Schools
Eastern Michigan University
Focus HOPE
Henry Ford Community College
Livingston Applied Technology Education Consortium
Macomb Intermediate School District
Michigan Career Education Advisory Commission
Michigan Manufacturers Association (MMA)
Michigan Occupational Education Association (MOEA)
Michigan State University
Monroe County Intermediate School District
Northwood Institute
Oakland County Schools
Oakland Technical Center-Southwest Campus
Oakland University
Office of Catholic Schools - Archdiocese of Detroit
Organization of School Administrators and Supervisors
University of Detroit Mercy
University of Michigan - Ann Arbor
University of Michigan - Dearborn
Vocational Industrial Clubs of America (VICA)
Washtenaw Intermediate School District
Wayne County Community College
Wayne County Regional Educational Service Agency
Wayne State University



MADE IN AMERICA For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Millwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

MADE IN AMERICA FOR THE WORLD

CONFERENCE: EDUCATION TRACK

What: The Education Track of the Conference explores the importance of manufacturing in America and the role of the U.S. in the global economy. It focuses on meeting international competition by integrating math, science and technology across educational curricula. Presenters cover issues of relevance to math, science, technology, business, economics and language instructors, guidance counselors, administrators and students.

Where: Cobo Center, Detroit, Mich.

When: Thursday, Oct. 1, 8:30 a.m. to 1 p.m.

8:30 a.m.

Registration/Education Displays Open

10 a.m.

Keynote Session --

"Personal Challenges to Competing Successfully in an International Marketplace"

Chairman -- Dr. Michael Parsons, associate dean, University of Michigan; Speakers -- Heinz Prechter, founder & chairman of ASC, Inc. & President Bush's Export Council; Dave Bing, CEO & chairman, Superb Manufacturing, Inc.; and William Pretzer, curator of the Henry Ford Museum.

11 a.m. - 12:00 p.m.

Concurrent Sessions

INTERNATIONAL BUSINESS: Free trade, exporting, meeting ISO 9000 international quality standards, international marketing case study, entrepreneurship and academic preparation.

Chairman -- Ernest Olson, manager, Export Business Development, Greater Detroit Chamber of Commerce; Panelists -- Dr. Earl Meyer, professor, Business and Industrial Education, Eastern Michigan University; and Mark Clevey, vice president, Small Business Programs, MERRA.

INTERNATIONAL COMMUNICATIONS: The importance of strong language skills, why students should study a second language, cultural issues, career case study and academic preparation.

Chairman -- Steve Myers, principal associate, Suzuki, Myers and Associates; Panelist -- Kyoko Miyazaki, international marketing director, Raymond and Dillion, P.C.

BUSH LIBRARY PHOTOCOPY - PRESERVATION

EVENT PRODUCER

Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861

TPI Technologies
Trade Development Group
Trans Overseas Corporation
U.S. DoC & Michigan International Office
U.S Council for International Business
University of Michigan - Ann Arbor
Wayne County Airports / Department of Jobs & Economic Development
Wayne State University Small Business Development Center
Webasto Sunroofs, Inc.
World Clock
World Trade Club of the Greater Detroit Chamber of Commerce
WJBK - TV2

Educational Exhibitors

Association of Marketing Students (DECA)
Eastern Michigan University
FOCUS Hope
Ford Academy of Manufacturing Sciences (FAMS)
General Physics Services Corporation
Henry Ford Community College
Lawrence Technological University
National Aero-space Plane (NASA)
National Center for Manufacturing Sciences
Northwood Institute
Oakland Technical Center-Northeast Campus
Society of Manufacturing Engineers - Education Dept.
UAW/GM Manufacturing Technology Partnership Program
University of Detroit - Mercy
University of Michigan - Dearborn
Vocational Industrial Clubs of America (VICA)
Wayne County Community College
Wayne State University

###



MADE IN AMERICA *For The World*

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Union
Serving Together (MUST)
Millwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Purcell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

September 30, 1992

FOR IMMEDIATE RELEASE

Contact: Amy Cammell or
Carol Anderson
SME Public Relations
(313) 271-1500 (438/294)
FAX: (313) 271-2861

New Conference in Detroit, Sept. 30 - Oct. 2

SMALL AND MID-SIZE BUSINESS MANAGERS TO LEARN TO SELL OUTSIDE THE U.S.

DEARBORN, Mich. -- Hundreds of business owners, executives, and managers looking for new markets outside of the U.S. will attend the "Made In America For The World" business conference at Detroit's Cobo Center. Sessions run 9 a.m. - 4:30 p.m. today through Friday.

Covering the export process, market opportunities, and cultural variations, the business conference will be held alongside a first-time exposition and a student/educator conference spotlighting American quality, manufacturing, and exporting.

Registration opens at 7 a.m. daily during the three-day conference. The program provides information on the following:

Wednesday, Sept. 30 (9 a.m. - 4:30 p.m.) -- "Introduction to Exporting" includes presentations on determining a company's readiness to export, research, banking, risk, distribution, pricing, and legal and cultural considerations.

Thursday, Oct. 1 (9 a.m. - Noon) -- CONCURRENT SESSIONS: "Doing Business in Mexico," "Getting Ready to Export," and "Doing Business in the New Russia."

(9 a.m. - 4:30 p.m.) -- "Cultural Issues in Exporting" covers doing business in Japan and establishing meaningful relations with the Japanese.

Friday, Oct. 2 (9 a.m. - Noon) -- CONCURRENT SESSIONS: "Women in International Business," "Doing Business in East Asia," "Doing Business in the Arab States," "Doing Business in Europe" and "Legal Issues for Export."

BUSH LIBRARY PHOTOCOPY - PRESERVATION

EVENT PRODUCER

more ...

Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861

(9 a.m. - 4:30 p.m.) -- "Understanding ISO 9000" presents detailed information on international quality standards which must be understood by companies wishing to export and how low cost, efficient compliance can be attained.

Half-day sessions are \$40 and full-day sessions are \$85 each. Attendance at the exposition only is free. Exposition hours are 10:00 a.m. to 6:00 p.m., September 30; 11:00 a.m. to 9:00 p.m., October 1 (extended hours for families); and 10:00 a.m. to 4:00 p.m., October 2.

The event is sponsored by leaders from industry, government, and academia and managed and produced by the Society of Manufacturing Engineers (SME).

For more information on future events, contact: SME Customer Service, One SME Drive, P.O. Box 930, Dearborn, MI 48121-0930. Telephone: 1-800-733-4673 or 1-313-271-1500, ext. 629 (between the hours of 8:00 a.m. to 8:00 p.m. EST, Monday through Friday). FAX: 1-313-271-2861.



September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. OUDERSTADT
President
University of Michigan

EVENT CO-SPONSOR/
ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Millwrights # 1192
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

September 30, 1992

FOR IMMEDIATE RELEASE

Contact: Amy Cammell
or Carol Anderson
(313) 271-1500, ext. 438/294
FAX: (313) 271-2861

TRAINS, PLANES, AUTOMOBILES, AND MORE
FEATURED AT MADE IN AMERICA EXPO

DEARBORN, Mich. -- See Lionel toy trains whizzing around the tracks and disappearing into a tunnel. Marvel at the massive 50-ft mock-up of NASA's futuristic National Aero-Space Plane. Examine a right-hand drive Chrysler Jeep Cherokee especially designed for export to Japan and the United Kingdom.

What do these exhibits have in common? They're all part of the Made in America For The World Exposition, running today through Friday at Cobo Center in Detroit. This first-time event is intended to showcase world-class products made in America and to serve as a catalyst for increasing U.S. exports.

Among the 75 exhibitors are small and mid-sized companies seeking to expand their export business, firms that provide export services, and major manufacturers of world-class products. Any size business wanting to "break into" exporting or expand its current international trading activities can find valuable information at this event.

"Quality" is the overriding theme of the exposition. The list of world-class products on display ranges from motorcycles, and portable hot tubs to wooden modular basement foundations, and high-end golf clubs.

more ...

BUSH LIBRARY PHOTOCOPY - PRESERVATION

Exhibitors will offer information on export services including: training and consulting in quality standards such as ISO 9000; U.S. customs brokerage transactions; international freight forwarding and warehousing; and cargo transportation.

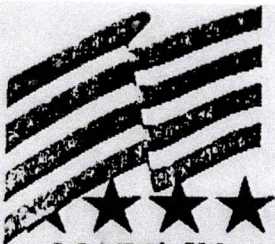
Several exhibitors offer products and services specifically tailored for the Japanese market including: training for interacting with the Japanese; and opportunities to market and sell U.S.-made products in Japan. One company is exporting manufactured products to former Soviet block countries: Gerber foods, Mattel toys, health and beauty products, electronic items, shoes, and clothing.

Exhibit hours are 10 am to 6 pm, Wednesday, Sept. 30; 11 am to 9 pm, Thursday, Oct. 1; and 10 am to 4 pm, Friday, Oct. 2. Admission is free and all registration is on-site. On Thursday, Oct 1., show hours run until 9 pm.

A concurrent business conference covers the export process, market opportunities, and cultural variations. A one-day student/educator (Oct. 1) conference spotlights American quality, manufacturing, and exporting.

The business conference sessions, running alongside the exposition, require advance registration. Fees range from \$40 for half-day sessions to \$85 for each full-day session which includes lunch.

The event is managed and produced by the Society of Manufacturing Engineers (SME). For more information on future events, contact SME Customer Service, One SME Drive, P.O. Box 930, Dearborn, MI 48121-0930. Phone: 1-800-733-4SME (8 a.m. to 8 p.m. EST, Monday through Friday,) or FAX: 1-313-271-2861.



MADE IN AMERICA For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENGLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUERSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Midwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Kildee
Rep Bob Carr
Rep J. Andrew M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

September 30, 1992

FOR IMMEDIATE RELEASE

Contact: Amy Cammell/
Carol Anderson
SME Public Relations
(313) 271-1500, ext. 438/294
FAX: (313) 271-2861

Oct. 1 at Cobo Center

AERO-SPACE PLANE TO LAND IN DETROIT FOR STUDENT EXPO & CONFERENCE

DEARBORN, Mich. -- A 50-ft. mock-up of NASA's National Aero-Space Plane will make its first visit to Detroit, Thursday, Oct. 1 during the Made In America For The World Exposition and Conference. This first-ever event highlights U.S. manufacturing prowess and promotes U.S. exports. The entire event runs Sept. 30 - Oct. 2 at Cobo Center.

The mock-up will be among 20 educational exhibits for students and educators that explore the importance of manufacturing to America and the impact of U.S. exporting to a global economy.

In addition to the aero-space plane, educational exhibits at Made In America For The World will include a new display on the history of computers by Henry Ford Museum & Greenfield Village; UAW/GM's Manufacturing Technology Partnership program which prepares high-school students for careers in skilled trades; and the Ford Academy of Manufacturing Sciences (FAMS), Ford's new high school curriculum/internship program.

Other exhibitors, including Focus Hope, General Physics Services Corporation, the Association of Marketing Students, and high schools, community colleges and universities, will offer information on vocational, technical, and engineering degree programs.

more ...

EVENT PRODUCER

Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861

BUSH LIBRARY PHOTOCOPY - PRESERVATION

The educational exhibits will be complemented by a free half-day conference program for students and educators, Thursday, Oct. 1 from 8:30 a.m. to 1 p.m. Discussion topics will include industrial applications of math and science, international marketing and economics, understanding other cultures, and the growing need for knowing a second language. The conference will also highlight the critical importance of an ongoing dialogue between industry and educators.

Included will be a keynote session, chaired by Dr. Michael Parsons, associate dean at the University of Michigan, with presentations by Heinz Prechter, chairman of ASC Incorporated, Dave Bing, CEO & chairman of Superb Manufacturing Inc., and William Prezter, curator, Henry Ford Museum. Also included are sessions on International Business, chaired by Ernest Olson, Greater Detroit Chamber of Commerce; International Math/Science/Technology, chaired by John Traynor, Universal Machine Intelligence; and International Communications chaired by Steve Myers, Suzuki, Myers and Associates. A boxed lunch will be sponsored for the conference by the Society of Manufacturing Engineers (SME).

To register for this FREE educational conference and exposition, call 1-800-733-4SME.

A exposition highlight will be the announcement of the student winners from the "Year 2000 Export Product Contest." The contest challenged students (grades 9 - 12) to draw a unique product they believe will be manufactured in the U.S. and exported throughout the world in the year 2000.

The educational exhibits, particularly NASA's Aero-Space Plane, are examples of the important contributions students bring to the future of manufacturing. The 50-foot, one-third mock-up of the National Aero-Space Plane was built by Mississippi State University aerospace engineering students after they won a national competition coordinated by the Virginia Space Grant Consortium, NASA, and the Department of Defense officials.

more ...

To reach the show, the impressive 5,000 pound model will be transported through the streets of Detroit. The X-30, as it is also called, will be capable of long range cruise at hypersonic speed (in excess of 4,000 mph). It is based on experimental technology and will pave the way for future aero-space planes using conventional runways for take-off and landings for flights into orbit.

The educational displays will join more than 75 manufacturing and export service companies exhibiting at the Made In America For The World Exposition which runs Sept. 30 - Oct. 2, from 10 a.m. - 6 p.m., Wednesday; 11 a.m. - 9 p.m., Thursday; and 10 a.m. - 4 p.m., Friday.

Made In America For The World is produced and managed by the Society of Manufacturing Engineers. This event is endorsed by many government agencies, political and business leaders and the following educational organizations:

Association of Marketing Students (DECA)
Center for Creative Studies
Dearborn Public Schools
Detroit Public Schools
Eastern Michigan University
Focus HOPE
Henry Ford Community College
Livingston Applied Technology Education Consortium
Macomb Intermediate School District
Michigan Career Education Advisory Commission
Michigan Manufacturers Association (MMA)
Michigan Occupational Education Association (MOEA)
Michigan State University
Monroe County Intermediate School District
Northwood Institute
Oakland County Schools
Oakland Technical Center-Southwest Campus
Oakland University
Office of Catholic Schools - Archdiocese of Detroit
Organization of School Administrators and Supervisors
University of Detroit Mercy
University of Michigan
University of Michigan - Dearborn
Vocational Industrial Clubs of America (VICA)
Washtenaw Intermediate School District
Wayne County Community College
Wayne County Regional Educational Service Agency
Wayne State University



MADE IN AMERICA For The World

September 30-October 2, 1992
Cobo Center
Detroit, Michigan

EXECUTIVE COMMITTEE

GOVERNOR JOHN ENDLER

HEINZ C. PRECHTER
Chairman & Chief Executive
ASC Incorporated
Chairman
President's Export Council

KEITH E. CRAIN
Vice Chairman
Crain Communications

EDWARD H. McNAMARA
Wayne County Executive

DR. JAMES J. DUDENSTADT
President
University of Michigan

EVENT CO-SPONSOR/ ENDORSEMENTS

U.S. DoC
Michigan District Export
Council (MDEC)
U.S. Foreign Commercial Service
Japan External Trade
Organization (JETRO)
Michigan International Office

Metro Detroit AFL-CIO
Management & Unions
Serving Together (MUST)
Millwrights # 1102
Michigan AFL-CIO

Michigan State University
Oakland University
University of Michigan
Office of Catholic Schools-
Archdiocese of Detroit
Wayne County Regional
Educational Service Agency
Oakland County Schools

Sen Carl M. Levin
Sen Donald W. Riegle Jr.

Rep David E. Bonior
Rep Paul B. Henry
Rep William S. Broomfield
Rep Dennis M. Hertel
Rep David Camp
Rep Dale E. Klidde
Rep Bob Carr
Rep Sander M. Levin
Rep Barbara-Rose Collins
Rep Carl D. Pursell
Rep John Conyers, Jr.
Rep Bob Traxler
Rep Robert W. Davis
Rep Fred Upton
Rep John D. Dingell
Rep Guy Vander Jagt
Rep William D. Ford
Rep Howard Wolpe

MADE IN AMERICA FOR THE WORLD

EXPORTING FACT SHEET

How important is exporting to the U.S. economy?

Nearly 10 percent of the nation's \$4.9 trillion Gross Domestic Product (the value of goods produced and services provided) is exported.

A Half-Trillion Dollar Market

In 1992, U.S. companies exported \$421.6 billion worth of goods and services throughout the world.

While 50 percent of total U.S. 1991 exports went to the Top 5 export markets (See Chart #1), developing countries continued to present new and expanded export opportunities. For example:

- o 27 percent growth in 1991 exports to South American countries;
- o 36 percent growth in 1991 exports to Middle Eastern countries;
- o 31 percent growth in 1991 exports to China.

Pacific, Great Lakes Lead Export Regions

Of the seven major geographic divisions in the U.S., the Pacific Region (Alaska, California, Hawaii, Oregon and Washington) led all others with a total export value of \$96 billion in 1990. (See Chart #2)

The Great Lakes Region (Illinois, Indiana, Michigan, Ohio and Wisconsin) ranked second with a total export value of \$82 billion in 1990.

Michigan Among Nation's Exporting Elite

Michigan is the fifth largest exporting state in the U.S., having achieved a total export value of \$20.9 billion in 1990.

The top four states and export totals were:

- o California -- \$58.4 billion;
- o Texas -- \$41.4 billion;
- o New York -- \$31.4 billion;
- o Washington -- \$28.8 billion.

(over)

BUSH LIBRARY PHOTOCOPY - PRESERVATION

EVENT PRODUCER

Society of Manufacturing Engineers One SME Drive P.O. Box 930 Dearborn, MI 48121-0930 USA (313) 271-1500 FAX (313) 271-2861

Michigan Exporting

While Michigan manufacturers and service providers exported to 160 different markets in 1990, Canada remained Michigan's top export market, accounting for 67 percent of the state's exports. (See Chart #3)

Transportation equipment accounted for more than 50 percent of Michigan exports, with computers/industrial machinery a distant second on the export list. (See Chart #4)

In 1987, the latest year for which export-related employment information is available, it was estimated that 267,800 Michigan workers owed their jobs to exports of manufactured goods.

- o 155,100 of those jobs were estimated to be directly supported by export sales;
- o 112,700 of those jobs were estimated to be indirectly sustained by export sales -- services, wholesale and retail trade, communications and transportation.

###

Michigan Export Facts

- o Michigan's exports grew 28% from 1987 to 1991. And the pace is accelerating: State's exports grew a remarkable 10% from 1990 to 1991 alone. Michigan firms exported over \$23 billion in merchandise in 1991.
- o Between 1987-1990, Michigan exporters had diversified into 24 additional foreign markets, bringing to 160 the number of countries into which Made in Michigan goods are now shipped.
- o One of Michigan's most important and dynamic markets is Mexico. The State's exports to Mexico rose 51% from 1987-91, much faster than overall export growth - and that was before the conclusion of the NAFTA agreement.
- o Michigan increasingly diversified its exports to the Mexican market over the 1987-91 period. In 1987, transportation equipment accounted for 76% of the State's shipments to Mexico. By 1991, that sector's share dropped to 50%, and sizable exports to Mexico were recorded by three of the State's other important industries: industrial machinery and computers (1991 exports of \$254 million); fabricated metal products (\$117 million) and electric and electronic equipment (\$110 million).
- o NAFTA, then, will be a boon for Michigan - it will strengthen Mexican growth, leading to more Michigan exports and jobs. A successfully negotiated Uruguay Round means \$1.1 trillion in additional U.S. GDP over the next ten years - about \$16,000 per average American family of four.
- o And the set of new free trade areas which the President sketched out in his September 10 economic policy speech here in Detroit will mean even more exports and jobs.

What has the Vice President done to boost American exports?

- o The Vice President has been intimately involved in the auto and auto parts industries for many years.
 - While senator, he created the Auto Parts Advisory Committee, put into law in the 1988 Trade Bill.
- o As Vice President, he has traveled to Japan four times - more than any other senior Administration official.
- o He raised auto trade issues to the highest industrial and political levels in Japan during his 1991 visit there.
 - That visit succeeded in focussing attention at senior Japanese levels on the need to deal with the bilateral deficit in these sectors, which is about 75% of the entire U.S.-Japan trade deficit.
- o President Bush's trip to Japan in January yielded final agreement that Japanese auto companies would purchase \$19 billion in U.S. auto parts by FY 1994, as well as securing Japanese commitments to resolve complaints by our Big Three auto makers on lack of access to the Japanese domestic market.
- o During his last visit, in May, the Vice President announced creation of an innovative Manufacturing Technology Fellowship program which would strengthen U.S. manufacturing capability by giving American engineers access to leading Japanese manufacturing firms.
- o Elsewhere in Asia, the Vice President has extended and defended American commercial interests:
 - in Indonesia, he helped major American energy and telecommunications firms secure important contracts;
 - in Thailand, he helped an American glass manufacturer establish a key plant which will be an essential part of their international marketing strategy.
- o The Vice President has travelled often to Latin America. During his last visit, in 1991, he succeeded assisting American courier, insurance and energy companies secure business opportunities and settle trade disputes in Argentina and Brazil.
- o And during his trips to the newly emerging market economies in Eastern Europe, Africa and the Baltics, the Vice President has stressed the need to accelerate market reforms, and reduce trade and investment barriers.

Administration and Clinton Approach to Economic Issues
(President's Speech, Enid, OK September 17, 1992, with updates)

<u>Subject</u>	<u>Administration</u>	<u>Clinton</u>
How an economy grows	Emphasis on the individual. Unleash aspirations. Avoid industrial policy and social engineering.	Emphasis on planners. Believes that government can invest money better than people.
Taxes	Cut taxes. Capital gains tax cuts. Five-year, \$20 billion package of tax cuts and incentives for small business.	Wants to raise marginal rates. 2/3rds of the "rich" he wants to tax are family farmers and small business.
Government spending	Cut spending. Gov't at all levels now takes 35% of national income. Cap growth of mandatory spending, excluding Social Security (saving \$300 billion over five years); freeze domestic spending; 10% deficit reduction checkoff on tax return.	Wants to raise spending. Called for \$220 billion in new spending. Only proposed \$7 billion cuts in mandatory spending over five years.
Opening foreign markets	Negotiated NAFTA. Want more FTA's. More trade will keep our industry competitive. U.S. needs a President who will stand up to a protectionist Congress and speak for the national interest.	Clinton waffles to suit his audience.
Government regulation/mandates	Minimize federal intrusions, but protect health and safety of citizens. Clean Air Act and Americans with Disabilities Act require new regs; implement in least burdensome way. Bring health care to those who need it, and permit choice.	Sees regulations as chance to reorder society. Will order health costs not to rise and order business to pay. Health program creates lines and inefficiencies. No choice on education or child care.

America and High-Tech Industries

- o By every measure, the U.S. leads the world in the generation of new knowledge.
- o We have produced the most scientific literature, the most new patents, the most Nobel prizes.
- o The Administration's budget for basic research is up 35% over 1989. And we have increased by 28% since 1989 funding for applied, energy and environmental R&D, aeronautics and magnetically levitated high-speed rail, protection of the public health and exploring the frontiers of space.
- o Administration has also put forward:
 - a High Performance Computing and Communications initiative, an \$800 million program to create a nationwide network to transmit data 1000 faster than we can today;
 - \$1.8 billion plan to strengthen advanced materials engineering;
 - \$4 billion program in biotechnology, and proposals to knock down regulatory barriers that might prevent technologies in this area from contributing to disease prevention and cure, improving agricultural performance and environmental cleanup.
 - Launched the National Technology Initiative, designed to facilitate technology transfer from federal government labs to U.S. industry. There are now more than 1,400 such agreements between federal labs and corporations in the areas of computing, ceramics, environmental cleanup and many other fields.
 - Last May, the Vice President and the Minister of International Trade and Industry of Japan announced a Manufacturing Technology Initiative, a fellowship program for American manufacturing engineers, allowing them to spend a year or so at leading Japanese manufacturing firms to share ideas and technology.
 - The Administration has established seven Manufacturing Technology Centers to help introduce new manufacturing processes to small and medium-sized companies. Since 1989, more than 6,000 companies have used these services. We plan to start four more up next year.
- o The U.S. is a large net exporter of technology. Royalties received from foreigners has been, on average, almost four times that paid out to foreigners. And U.S. receipts were

nearly eight times its payments in licensing transactions entered into with Japan.

o And, perhaps contrary to the views of many Americans who feel that the United States has fallen behind in producing advanced technology products, the figures tell a different story:

- the U.S. has registered a consistent surplus in advanced technology products trade;
- in 1990, the trade surplus was \$34 billion; in 1991, the surplus rose to \$37 billion and the trend of mounting surpluses is continuing in 1992.

WHAT NAFTA MEANS FOR MICHIGAN

◆ EXPORTS

MICHIGAN Exports to Mexico and Canada--\$16 Billion in 1991

◆ JOBS

MICHIGAN Jobs Supported by Manufactured Exports to Mexico and Canada--260,000

MICHIGAN INDUSTRIES: NAFTA market openings benefit vital Michigan industries: Transportation equipment, computers, agriculture, rubber and plastics, electronics, agriculture, primary metal industries, fabricated metal products. To highlight just a few that will gain from NAFTA:

Transportation equipment, another leading Michigan export to NAFTA countries, will enjoy continued growth as the NAFTA eliminates Mexican restrictions that have essentially closed the Mexican market to exports of U.S. vehicles and dampened sales of U.S.-made auto parts. The NAFTA will open markets for Michigan by totally eliminating tariffs on U.S. auto parts exports to Mexico in ten years (75% in five years), which will boost transportation exports to Mexico from the 1991 level of \$4.5 billion. Under the CFTA, 100% of automotive trade with Canada will be duty free by 1/1/94, boosting transportation exports to Canada, which totalled \$21.2 billion in 1991. Strict rules of origin for automotive products, stronger than in the CFTA, will prevent Mexico from being used by any non-NAFTA country as an export platform to the United States. In fact, NAFTA's auto provisions provide an incentive for manufacturers to source more parts and components in North America, a boon for the 14,000 U.S. workers -- many in Michigan -- that are supported by automotive exports to Mexico alone. In addition, NAFTA includes government procurement provisions that will create opportunities for U.S. manufacturers to sell under open and transparent bidding to Mexico's public sector, including government-owned enterprises, such as the Mexican National Railroad.

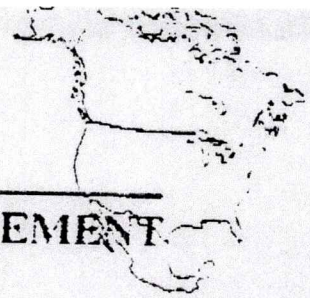
Industrial machinery and computers, a top Michigan export to both NAFTA partners, have much to gain from NAFTA. U.S. exports to Mexico and Canada of industrial machinery and computer exports, already at \$19.4 billion, should exceed the current 20% annual growth rate, once NAFTA is in effect. NAFTA will eliminate Mexico's 10-20% tariffs on computers and remove other restrictions to boost already strong U.S. sales of \$4.8 billion. Computer software also benefits from NAFTA: NAFTA safeguards U.S. software from piracy by strengthening copyright laws and providing stronger enforcement, which protects our 90% share (\$2 billion) of Mexico and Canada's combined software market. NAFTA computer rules of origin ensure that domestic equipment producers reap NAFTA benefits, without harming component suppliers. NAFTA also opens the important public sector market in Mexico and Canada to the U.S. computer industry through improved government procurement procedures.

August 13, 1992

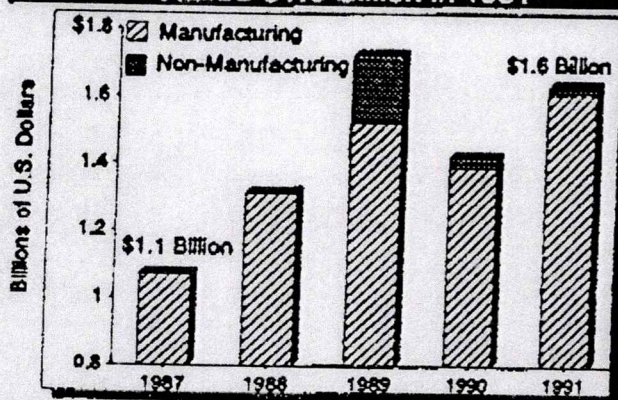
Compiled by USDOC/OM

MICHIGAN: EXPORTS & JOBS

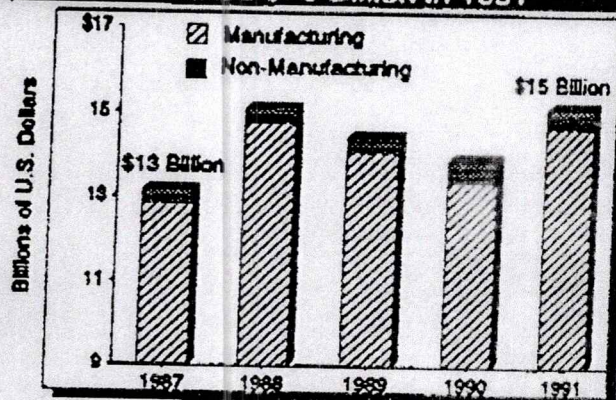
THE NORTH AMERICAN FREE TRADE AGREEMENT



**Michigan's Merchandise Exports to Mexico
Totalled \$1.6 Billion in 1991**



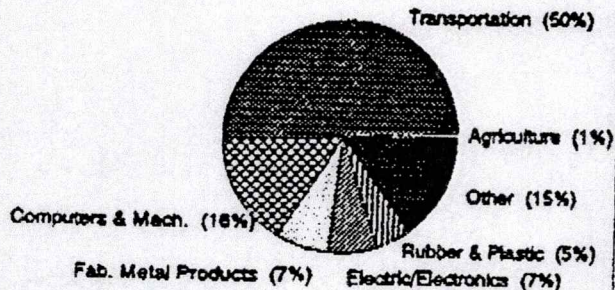
**Michigan's Merchandise Exports to Canada
Totalled \$15 Billion in 1991**



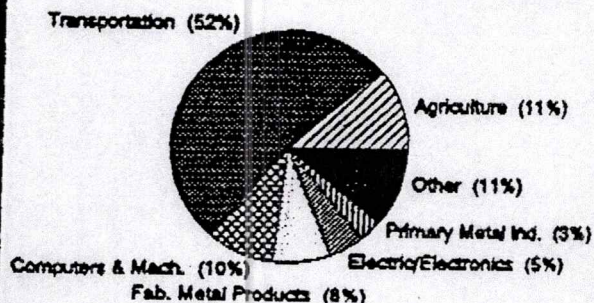
Manufactured exports accounted for 97 percent of Michigan's \$16 billion in exports to Canada and Mexico in 1991, and supported an estimated 260,000 jobs.

- Michigan's sales to Mexico and Canada accounted for 72 percent of the state's total exports. In 1991 Michigan was the largest U.S. exporter to Canada and the third largest U.S. exporter to Mexico.
- Since 1987, Michigan's exports to Mexico have grown more than 50 percent.
- Canada and Mexico are now Michigan's first- and second-largest export markets.
- An estimated 48,000 new jobs have been created by growth in Michigan's manufactured exports to our North American trade partners since 1987.

**Composition of Michigan's Exports to
Mexico 1991: Total \$1.6 Billion**



**Composition of Michigan's Exports to
Canada 1991: Total \$15.1 Billion**



For more information, contact: Office of the U.S. Trade Representative,
600 17th St., NW, Washington D.C., 20506

August 1992

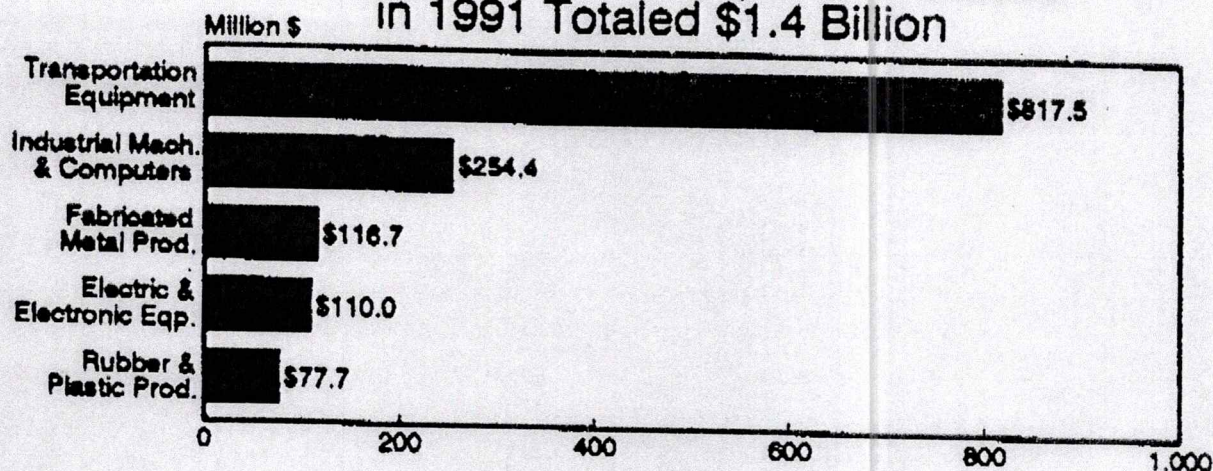
SUCCESS STORIES

MICHIGAN

BUSH LIBRARY PHOTOCOPY - PRESERVATION

MICHIGAN: EXPORTS TO MEXICO, 1987-91

Michigan's Top Five Exports to Mexico in 1991 Totaled \$1.4 Billion



MICHIGAN'S EXPORTS TO MEXICO, BY INDUSTRY SECTOR
(Thousands of Dollars)

	1987	1988	1989	1990	1991
AGRICULTURE, FORESTRY & FISHING	2,463	2,721	1,915	6,910	3,660
Agriculture - crops	2,391	2,447	1,621	6,797	3,483
Agriculture - livestock	72	269	280	53	84
Forestry	0	6	14	60	94
Fishing & Hunting	0	0	0	0	0
MINING	2,324	1,209	289	4,379	265
Metal Mining	1,736	0	0	4,306	31
Coal Mining	12	0	0	0	0
Oil & Gas	0	0	9	0	24
Non-Metallic Minerals	576	1,209	280	72	210
MANUFACTURING	1,071,690	1,311,025	1,523,886	1,390,142	1,609,377
Food Products	468	677	1,487	8,107	10,732
Tobacco Products	0	0	0	0	0
Textile Mill Products	411	5,976	13,806	24,861	33,239
Apparel	535	1,310	5,895	9,862	5,232
Lumber & Wood Products	124	400	343	598	1,537
Furniture & Fixtures	2,025	1,818	25,742	38,591	33,157
Paper Products	9,556	9,040	8,779	5,610	8,214
Printing & Publishing	216	293	560	614	715
Chemical Products	29,784	21,622	33,966	35,724	44,182
Refined Petroleum Products	1,868	951	310	428	1,177
Rubber & Plastic Products	8,535	20,628	47,799	38,669	77,695
Leather Products	61	101	420	703	585
Stone, Clay & Glass Products	4,919	2,583	10,043	7,893	14,643
Primary Metal Industries	17,223	29,518	113,348	36,296	45,549
Fabricated Metal Products	16,951	36,394	147,130	106,042	116,741
Industrial Machinery & Computers	129,511	186,138	160,501	182,581	254,423
Electric & Electronic Equipment	20,313	68,564	138,924	114,136	110,012
Transportation Equipment	821,065	916,180	797,849	799,611	817,469
Scientific & Measuring Instruments	7,872	8,555	14,478	12,735	24,133
Miscellaneous Manufactures	253	277	2,544	7,079	9,942
OTHER	1,392	2,441	194,468	30,628	15,106
Scrap & Waste	631	1,595	3,405	1,650	1,830
Second Hand Goods	254	194	0	0	7
Military & Other Miscellaneous Items	507	653	191,063	28,978	14,069
MI'S EXPORTS TO MEXICO	1,077,870	1,317,396	1,720,558	1,432,858	1,628,409
MI'S EXPORTS TO THE WORLD	18,104,343	21,015,863	21,206,701	20,919,427	23,176,381
MEXICO'S SHARE OF MI'S EXPORTS	6.0%	6.3%	8.1%	6.8%	7.0%

Exports and Economic Growth in the U.S.A

REAL

	GDP	----- Merch.	Exports Services	----- Total
1959	1931.3	58.0	15.8	73.8
1991	4848.4	398.3	141.3	539.6
Pct. Change	251%	687%	894%	731%

NOMINAL

	GDP	----- Merch.	Exports Services	----- Total
1959	494.2	16.5	4.2	20.6
1991	5671.8	428.1	165.2	593.3
Pct. Change	1148%	2595%	3933%	2880%

Jobs in 1991 109.0
 GDP in 1991 5671.8
 GDP / Job 52034.86

Factoids on Economic Growth and World Trade

- Adjusted for inflation, American GDP has grown 140 percent since 1959. Merchandise exports have grown 590 percent in that same period. Exports of services have grown 790 percent.
- Each job is roughly equivalent to \$50,000 in GDP. Total exports, at \$593 billion, therefore directly support 11.9 million American jobs. Merchandise exports of \$428 billion therefore support 8.6 million jobs and service exports of \$165 billion support an additional 3.3 million jobs.
- Since 1959, export industries have been responsible for 11.5 million new jobs. This is an average of 360,000 per year.

[DRAFT 9/28, 9:30 p.m.]

REMARKS BY THE VICE PRESIDENT
MADE IN AMERICA FOR THE WORLD EDUCATION CONFERENCE
COBO CENTER, DETROIT MICHIGAN
WEDNESDAY, SEPTEMBER 30, 1992

o Acknowledgements

Earlier this month, the President announced the Agenda for American Renewal right here in Detroit. He set out a six-part action plan for renewing growth in America that integrates foreign, domestic and economic policy. Since then, he has discussed the Agenda more than 25 times in 15 states. He is, as your Governor put it so well, the "man with the plan."

The challenge of the 90's is to win the economic competition, to win the peace. The Agenda for American Renewal is a detailed plan to do this. How? By building on our position as a military, economic and export superpower. Our goal: to double our national wealth -- to create a \$10 trillion economy by the first years of the 21st century.

This conference, "Made in America for the World," touches each of the six points set out in our Agenda. Today I want to

focus on our strategic global and economic trade policy that will ensure our position as an economic and export superpower.

"Made in America." Our opponents think this phrase no longer excites the imagination of the world, that our industrial future is bleak. Well, let me point out a few facts:

- o The United States did not de-industrialize during the 1980s. Twenty-three percent of our GNP comes from manufacturing -- which is actually more than the percentage in 1980.
- o The American worker is 32 percent more productive than a worker in Japan. In other words: what the Japanese worker can produce in five days, the American worker can produce in less than four.

We are a manufacturing nation, "blessed with great natural and human resources. "Made in America..." still matters, but it isn't enough. We need to emphasize the second part of your conference title: "...for the World." My message today is this: to a large extent, our future economic well-being will depend on our ability to export -- to compete in the new global economy.

We start this competition from a position of strength.

- o After adjusting for inflation, American GDP has grown 150 percent since 1959, but merchandise exports have grown 577% percent in the same period.
- o The products America sells abroad are high-tech, leading-edge products built by a highly skilled workforce. Capital equipment exports, such as industrial machinery, computers and aircraft, have risen from 30% of our exports in the late 1960s to 40% today.

Exports mean jobs -- good jobs at good wages.

- o Independent studies show that export-related jobs have soared. Today, more than 7.2 million Americans owe their jobs to exports, a 42% increase over 1986. In Michigan alone, we estimate that about 360 thousand workers depend on trade for their livelihood. And because we are exporting the most advanced products requiring high skills, these jobs pay 17% more than the average salary.

Exports already play a key role in Michigan's economy.

- o Michigan's exports grew 28% from 1987 to 1991. Last year Michigan firms exported over \$23 billion in merchandise.

Autos and auto parts make up an important segment of Michigan's exports. That's why President Bush and I have emphasized these exports in our travel abroad. I've been to Japan, for example, four times as Vice President -- more than any other senior Administration official. I raised auto trade issues at the highest industrial and political levels in Japan, and I got the Japanese government to focus on the serious trade deficit in these sectors.

In January President Bush obtained an agreement from the Japanese to buy \$19 billion in U.S. auto parts by 1994. He also secured commitments to resolve complaints by our Big Three auto makers on access to Japanese markets. We got these results by persistence, by knowing our facts, by hard negotiating.

Yes, we've made a good start in the global economic competition, but, ladies and gentlemen, it isn't enough. We need to do more.

I said the future of our economy depends on our ability to export manufactured goods. There are two keys to increasing exports. First, we need open markets for our products abroad. And second, we need to increase the skills of our workers at home to maintain our competitive edge.

The North American Free Trade Agreement is the first step. It will pull down Mexican tariffs that are on average 250% higher than our tariffs and it will speed the growth of Michigan's exports to Mexico. Plus, tough new rules of origin will prevent other countries from using Mexico as merely an export platform. Indeed, the automobile provisions should encourage manufacturers to buy even more parts and components from North American companies.

Already, manufactured exports to Mexico and Canada support 260,000 jobs in Michigan -- and have created 48,000 new jobs since 1987. NAFTA will create thousands more new jobs in Michigan in the years to come by speeding the growth of exports.

And to those who say we can't compete with low-wage nations, like Mexico, I say think again.

- o Since 1987, U.S. exports to Mexico have more than doubled. Michigan's exports to Mexico have increased 51% since 1987, driving the total growth of Michigan exports up 28% since 1987.
- o Michigan's exports have become more diversified. In 1987, 76% of the state's exports to Mexico were transportation equipment. By 1991, that figure had dropped to 53% while there were substantial increases in Michigan's exports of

electrical and electronic equipment, industrial machinery and computers and fabricated metal products.

- o Canada is still Michigan's biggest trading partner, but today Michigan companies are exporting to 160 countries around the world.
- o Much of the growth in our exports is coming from developing countries -- where wages are lower than they are here. Still, exports to South America grew 28%, exports to the Middle East grew 36% and to China by 31% last year alone.

NAFTA, then, will be a boon to Michigan's economy. It will increase the demand in Mexico for products made in Michigan. Additionally, a successfully negotiated GATT Uruguay Round means \$1.1 trillion in additional U.S. GDP over the next 10 years. -- about \$16,000 per average American family of four.

After NAFTA and the latest GATT round of talks are completed, we will launch other free trade initiatives in Asia, Europe, especially Eastern Europe and the former Soviet Union, and throughout South America. Ultimately, we believe free trade and open markets will encourage and support the spread of democracy around the globe. Democracy and open markets are the keys to building the New World Order of global peace and prosperity.

In this process of opening markets, we need to open our minds . . . to new ideas, new technologies, new processes. But let's not be so open-minded that our gray matter seeps out. For example, Governor Clinton has endorsed raising the Corporate Average Fuel Economy, or CAFE, standard up to 45 MPG and Al Gore introduced a bill to increase CAFE to 40 MPG. Well, we already know that he thinks cars are the greatest national security threat we face today, so auto workers and their families should eye the Clinton-Gore plans carefully.

This all adds up to bad news for American auto workers. We heard from one parts supplier that one of the Big Three was even considering moving an entire assembly plant out of the U.S. to get around one provision of the CAFE rules. The job loss figures vary. One study says the loss would be as much as 300,000 jobs, but even if the actual loss is half that much or a third as much, it is still too many jobs to sacrifice.

Given the amount of economic pain already in Michigan, now is not the time for further increases in CAFE standards. Increasing standards means increasing unemployment. We need to balance our national objective of protecting the environment with our national imperative of preserving jobs.

I said that, if we are to compete successfully, opening our minds to new ideas is as important as opening new markets. The American businesses of the 21st Century will need workers who will keep them ahead of the competition. In a fast changing marketplace, it will be Government's role to expedite workers' adjustments. Our workers need to know that their government will help them through the tough times and help them prepare for a world of constant change. That's why we worked so hard to improve our job training system, work that culminated in the creation of the Job Training Partnership Act signed into law 10 years ago next month.

JTPA brought market principles to bear on job training. We decentralized decisionmaking to local communities through the Private Industry Councils and created incentives for on the job training where possible. Recently, we proposed new initiatives to build on JTPA, extending market principles further by giving those receiving aid even greater choice.

However, we know that some people will lose the jobs they have today as we move to a more open global market. I understand that it is cold comfort to say that even more jobs will be created. That's why last month the President announced a \$10 billion retraining program to help workers through the transition toward the higher paying jobs that come with freer trade. We are

just as committed to easing the pain of open markets as we are committed to achieving the benefits of maximizing consumer power.

These are the keys to winning the economic competition and achieving our national goal of a \$10 trillion economy by the first years of the 21st Century. We must seize opportunities to develop new markets, particularly in areas that have potential for significant growth in the future. We must be ready, willing, and able to compete around the globe.

We salute you, Governor Engler, Heinz Prechter and everyone else for making this conference a reality. We are working toward the same goal of increasing our exports and building the economic system needed to reach our objectives. We offer a New World Order based on an old idea: people should be free to pursue their own vision of life, liberty and happiness. We know where we are going. We have more faith in the American worker and businessman to get us there than in the best and brightest bureaucrats. And President Bush is, as Governor Engler said, the man who has the plan.

Themes for Use in Rebutting Gore Iraq Speech

Senator Gore's tirade against U.S. policy toward Iraq is nothing more than a cynical attempt to distract attention from the indecisive behavior of Gore's running mate who, when vital U.S. interests were on the line following Iraq's invasion of Kuwait, said "I guess I would have voted with the majority if it was a close vote. But I agree with the arguments the minority made."

Similarly, Senator Gore's warmed-over restatement of familiar, reckless charges leveled by two of his Democratic colleagues, Representatives Gonzalez and Gejdenson, is designed to make the American public forget that a majority of Gore's fellow Democrats in both the House and the Senate failed to support the leadership of President Bush after Saddam Hussein invaded Kuwait.

The President stands by his remarks that the United States did not build Saddam into a threat to peace. The charge that U.S. technology significantly enhanced the conventional or unconventional weapons capability of Iraq is simply untrue.

Throughout the 1980's, we developed an increasingly strict set of export controls--the strictest such controls in the world--designed to frustrate the efforts of Iraq and certain other countries to develop weapons of mass destruction.

The United States took the lead internationally in initiating the Missile Technology Control Regime, the Nuclear Suppliers Group and the Australia Group, which seek to control items that could be used to develop missiles or weapons of mass destruction. The result is a more effective, multilateral export control system.

When we discovered evidence of illegal transfers of sensitive technology to Iraq, we took appropriate action, such as our denial of export permission for high temperature furnaces that could have contributed to Iraq's nuclear or missile capabilities.

When we discovered evidence of the illegal transfer of nuclear triggers in early 1990, we and our British allies took tough measures to stop the diversion. In that case, U.S. and British customs officials were able to catch the Iraqis in the act.

In the period of 1985 through 1990, we refused to approve 362 export licenses for items that could have contributed to Iraq's military programs. During this same period, we approved 771 export licenses for items such as trucks and out-of-date, low-performance computers, all easily available from other countries. The overall value of these contracts was \$1.5 billion, more than \$1 billion of which involved trucks never shipped to Iraq.

All approved shipments of such "dual-use" items, with both military and civilian applications, were in accordance with then-current policy. Subsequent investigation as well as IAEA and

UNSCOM inspections demonstrate that U.S. technology made no significant contribution to Iraq's military capacity.

Senator Gore seems to have ignored what every academic knows, that footnotes are the last refuge of the scoundrel. Footnotes of such "objective" sources as the Congressional Record cannot obscure the fact that the speech is riddled with falsehoods, misinformation, and selective quotation. Here is a selection:

FICTION: "US taxpayers are now stuck with paying the bill for \$1.9 billion President Bush gave to Saddam Hussein even though top administration officials were repeatedly told Saddam was using our dollars to buy weapons technology. (page 1)

FACT: The United States did not give one single dollar to Saddam. The \$1.9 billion was given to American grain exporters (to compensate them for grain sold to Iraq) only after UN sanctions were placed on Iraq for its invasion of Kuwait.

FICTION: "An ongoing effort to hide the facts from the American people..." (page 2)

FACT: The Bush Administration has provided thousands of documents to Senator Gore and his colleagues, at a cost of tens of thousands of man hours and hundreds of thousands of dollars.

FICTION: Administration policy made a "heroic assumption...that Iraq would suddenly and completely change its ways out of fear of economic and political sanctions." (page 7)

FACT: The United States sought to moderate Iraqi activity over time using a measured approach of limited incentives and strong disincentives. We were correct to try; moreover, the fact that we did made it possible to assemble the victorious coalition.

FICTION: "our sons and daughters were to be sent to risk their lives facing a threat that had been built up through US technology and US tax dollars" (page 11)

FACT: Saddam spent over \$100 billion of his own money (and money lent him by his neighbors during his war against Iran) on Iraq's military. Any U.S. support, was insignificant at most.

FICTION: "He [Bush] is the one who started the fire." (page 2)
for instance dual use technology,

FACT: This is historical revisionism at its worst. Senator Gore seems intent on shifting responsibility for the Gulf war from where it belongs--Saddam Hussein--and shifting credit for leading the coalition to victory from where it belongs--President Bush.

Facts:

Gore voted with President Bush to use force to oust Saddam Hussein from Kuwait.

Gore now charges that Bush's "poor judgement, moral blindness, and bungling policies led directly to a war that should never have taken place."

During the air war but before the ground war began, Senator Gore stated that it would be a "terrible mistake" if we were to undertake "any effort to expand our objectives so as to include the military conquest of Iraq."

In September of 1991 Gore said:

"I don't think we should have left Saddam's regime in place." (On Larry King Live)

described limiting U.S. objectives to forcing Iraq out of Kuwait as "an historic mistake" (on Ted Koppel)

Alternative interpretations:

Alternative explanations of the Senator's new found strident opposition to the Gulf War:

- 1) at the time he voted for war he was either insufficiently informed or voted to go to war anyway.
- 2) Gore voted for war and supported the President's limited objectives but has since revised his views to bring them back into line with those Democrats who did not support the President during the war.
- 3) Consistency between his vote and his subsequent views is too high a standard to expect. Politicians striving for power should be expected to say different things on the same subject at different times depending on audience and circumstance.

Senator Gore's attack is a classic case of revisionism, revising the facts on Monday morning for a game in which he was not an important player.

A day or so before the vote, Senator Gore approached Senator Dole. Gore said he planned to vote for the use of force but would require 20 minutes at a particular time. This was an almost impossible requirement to meet because other Republican Senators were being limited to 3-4 minute speeches. Dole told Gore that he was glad to have the vote and that he would see what he could do about getting extra time.

Dole then went to see Mitchell on another matter. In the course of the conversation he told Mitchell that one Democratic Senator would be voting with Dole but that he required 20 minutes. Mitchell asked the name of the Senator which Dole provided. Mitchell's response was, "That son of a bitch. Just yesterday he talked to me to vote our way and I told him that I couldn't give him the time."

Yesterday (9/29) a press release from Dole stated:

"Al Gore's reckless election year attempt at rewriting history in the Middle East only highlights his own ticket's dangerous incompetence when it comes to foreign affairs."

"Today's attack means absolutely nothing coming from a Senator who shopped his vote on the Persian Gulf War on the basis of which Senate leader would guarantee him the most prime time exposure during the historic senate debate. No wonder some colleagues refer to the Senator from Tennessee as "Prime Time" Al."

"In fact, Senator Gore sounds like Bill Clinton on the draft -- when the truth doesn't fit your story, make it up."

GORE ON IRAQ: BEFORE AND AFTER THE WAR

While the air war was raging but before the ground war began, Gore was educating us on the floor of the Senate about how to plan the peace that would follow the war. He said then that it would be a "terrible mistake" if we were to undertake "any effort to expand our objectives so as to include the military conquest of Iraq."

He was worried that to do so would "blow apart the international consensus upon which all else depends." In particular he cautioned us that "Arab public opinion would be inflamed to a point endangering not only the ability of moderate Arab governments to cooperate with us, but also their ability to survive."

Specifically, Gore said that "our international mandate and our position to conduct military operations according to that mandate expires if and when we roll Saddam Hussein's armies back to the point where they stood one day before he swept through Kuwait."

Back then, before our brilliant ground war had been executed, Gore was posturing to define more narrowly the boundaries of his own support for the war. That support, as Senator Dole explained on the floor of the Senate yesterday, was borderline, and could have gone either way right up to the time of the vote in the Senate. Thus, Gore would conclude that "above all, it seems to me that the United States needs an outcome minimizing the amount of exposure we must subsequently accept in the Middle East."

By September, however, many months after the war, Gore had become the great Monday morning quarterback. He told Larry King that "I don't think we should have left Saddam's regime in place. I think we made a tragic mistake in the days right after the war in deciding that the best way to maintain stability in Iraq was to leave the Ba'athist regime in power there."

Furthermore, as he told Ted Koppel on "Nightline," the President "made an historic mistake in allowing Saddam to violate the UN cease-fire terms and begin massacring the Kurds in the north and the Shi'ites in the south on the mistaken assumption that it was in our geopolitical interests to allow the government he represented to reconsolidate its power..."

Does all of this mean that Gore now recants the limited objectives he espoused while the war was in progress? Remember, **that** was when the Commander in Chief had to make his decision, not months or years later when the political landscape had been cleared of ambiguity. Besides, is Gore now saying that a continued U.S. military presence in Iraq, including direct, military involvement in their internal conflicts, would be preferable to what the President effected through Operation

Provide Comfort, in conjunction with Turkey, in defense of the Kurds?

If so, how does all of that square with his earlier concern that we might "blow apart the international consensus upon which all else depends"? And what ever happened to his concern that "Arab public opinion would be inflamed to a point endangering not only the ability of moderate Arab governments to cooperate with us, but also their ability to survive"?

Events in Iraq are far from perfect, but Gore should wake up to the fact that war is messy business, and in an imperfect world one cannot hold constant one set of concerns while focusing exclusively on another. The President carefully articulated his limited military objectives, came to terms with the Arab and non-Arab coalition partners that supported them, kept faith with those agreements, earned the trust and confidence of leaders throughout the region, **and still** employed selective military power as needed to protect the Kurds and the Shi'ites.

For Gore, our reluctance to occupy Iraq, overthrow its leadership, and take an active role in defending its minority populations was equivalent to the Soviets' decision to stand outside Warsaw near the end of World War II "postponing liberation deliberately to give the Nazis just enough time to finish butchering the Polish resistance."

His inflammatory treatment of this subject hardly manifests moderation. This is the kind of intemperance and overreaction we should worry about when we elect leaders, because it can lead to overcommitments and facile redefinitions of policy in the heat of the moment -- a far cry from the steady hand George Bush demonstrated when he -- and your sons and daughters -- were under fire.

Where would we be with the Middle East Peace Process if we had followed Gore's belated prescriptions? Would the Saudis be working behind the scene to advance the dialogue, as they are, if U.S. troops were still massed throughout their country? Would Syria, the Palestinians, and Jordan, be in position to deal directly with Israel for the first time ever if the U.S. were perceived as an occupation power in the region?

Instead of lecturing this President about the merits of good judgment and drawing fine ethical lines between intentions and outcomes in our foreign policy, I suggest that Mr. Gore reexamine his own vacillations and motives. It's hardly as if judgment, loyalty to commitments, and steadiness under fire are among his, or his running mate's, strong suits.

Bush Botched Iraq Policy, Gore Charges

*'Poor Judgment'
Blamed for War*

By Charles Babington
Washington Post Staff Writer

Democratic vice presidential nominee Albert Gore Jr. yesterday accused President Bush of pursuing foolhardy and "amoral" policies toward Iraq that led to the Persian Gulf War.

"His poor judgment, moral blindness and bungling policies led directly to a war that should never have taken place," the Tennessee senator told the Center for National Policy here.

The 40-minute speech, which Clinton-Gore campaign aides billed as a major foreign policy address, was largely based on information obtained by Democratic members of Congress and provided the campaign's most detailed criticism to date of Bush's dealings with Iraq and its president, Saddam Hussein.

While it contained no new facts, the speech presented a comprehensive statement of information that has surfaced since the war about warnings the administration disregarded con-



BY JAMES A. PARCELL—THE WASHINGTON POST

SEN. ALBERT GORE JR.

... Bush policy "coddling tyrants"

cerning Iraq's military buildup. The speech was designed to tarnish the luster of Bush's leadership in the successful allied military campaign to drive Iraqi troops from Kuwait last year.

Gore cited numerous instances before Iraq's 1990 invasion of Kuwait in which federal agencies warned that U.S. exports to Iraq were helping Saddam build his military strength.

He said that despite reports from various administration agencies that Iraq was continuing to cooperate with terrorists and working hard at developing nuclear, chemical and biological weapon capabilities, Bush pressed for more loans and high-tech exports to Iraq.

See GORE, A14, Col. 1

■ Consumer confidence, leading indicators decline.

Page F1

WP

9-30-92

P 1

GORE, From A1

"The path leading us to that war," Gore said, "and the path which the president has followed after, are deeply shadowed in profound error, in duplicity and in amoral disregard for our most basic values as a nation Coddling tyrants is a hallmark of the Bush foreign policy."

White House spokesman Marlin Fitzwater dismissed Gore's remarks. "This is another effort by the Democrats in Congress to rewrite history to conceal their opposition to the war," he said.

Gore, a member of the Senate Armed Services Committee, voted in favor of going to war against Iraq, but once the war ended was one of Bush's earliest critics for his failure to protect the Kurds and Shiites from Iraqi attack.

Still, Gore tried to walk a thin political line in order to blast Bush without questioning the patriotism of those who fought or supported a war that was popular with many Americans.

"The conduct of the war will remain a proud memory for all Americans," Gore said. "But the full history must also include events before and after the war George Bush wants the American people to see him as the hero who put out a raging fire. But new evidence now shows that he is the one who set the fire."

Gore targeted Bush's judgment and savvy, often considered the president's strengths

in dealing with foreign matters. Before the gulf war began, the Democrat said, Bush repeatedly approved loan guarantees and other benefits to Iraq "in spite of repeated warnings that anyone with common sense would have had no difficulty whatsoever understanding." Gore accused Bush of "naivete and lack of candor" in dealing with Iraqi matters before and after the 1991 war.

Gore's speech contained 56 footnotes, mostly citing news accounts and diplomatic memos citing concerns by various agencies that Saddam was building a dangerous, potentially nuclear, military capacity before and after Iraq's 1988 defeat of Iran. The information was derived in part from disclosures by House Banking Committee Chairman Henry B. Gonzalez (D-Tex.), who has been investigating policy toward Iraq

for several years, and by House Foreign Affairs subcommittee Chairman Sam Gejdenson (D-Conn.).

In October 1989, Gore said, the CIA told Secretary of State James A. Baker III "that Iraq was clandestinely procuring nuclear weapons technology through a global network of front companies." Nevertheless, Gore said, Bush insisted on "improved economic and political ties with Iraq on the assumption that Iraqi behavior could be modified by means of new favors."

"Before and after consecrating a policy that tied us hip and thigh to Saddam Hussein, George Bush had all the information he needed to know that he was in deep, deep water," Gore said. "George Bush put American lives on the line in a war that never should have happened except for his mistakes."

<ORIG> REUTER
<TOR> 920929190931

<TEXT>r w BC-TEXT-CAMPAIGN/MACNEIL 09-29 2095
BC-TEXT-CAMPAIGN/MACNEIL/LEHRER

MACNEIL/LEHRER NEWS HOUR

Guest: Democratic vice presidential candidate Sen. Al Gore (D-Tenn.)

Time: 6 p.m.
Aired September 29, 1992

+++++

The editor of the report is Steve Ginsburg. Tim Ahmann, Eric Beech, Melissa Bland, Will Nash, Peter Ramjug and Paul Schomer also are available to help you. If you have questions, please call 202-898-8345. For service problems call 1-800-435-0101.

+++++

+++++

This transcript is provided by News Transcripts, Inc. If questions of content arise, call 682-9050

+++++

JUDY WOODRUFF: Senator Gore, thank you for being with us.

SENATOR ALBERT GORE, JR.: Glad to be with you.

WOODRUFF: It's almost two years after the war with Iraq. You were one of the ones who voted to authorize the use of United States force over there. Why bring all this up just five weeks before the election?

SENATOR GORE: Well, first of all, a lot of new evidence has come out just in the last few weeks. And it has reached a critical mass, which makes it possible now to see the full picture of the Bush policy leading up to the war with Iraq.

The warnings that were repeatedly given to the White House about Saddam using U.S. taxpayer assistance to finance nuclear weapons acquisition, nuclear weapons technology acquisitions, chemical and biological weapons technology, artillery, all kinds of military applications. All those warnings were ignored.

At the same time he was involved in escalating series of terrorist attacks and incidents and making all kinds of bellicist threats. And in spite of the warnings from the intelligence community, the CIA, the Defense Department, the Energy Department, the Commerce Department, Bush persisted in seeing Saddam as a docile ali. Someone who could be our friend. And the judgement he used is, I think atrocious. Beyond that, he has since that time repeatedly told the American people that none of his policies assisted Saddam's acquisition of these weapons. And unfortunately, that's simply not true.

WOODRUFF: But if someone with the experience in foreign policy of President Bush; director of the CIA, ambassador to China, eight years as vice president would have this mistake in judgement, as you describe it, why should the American people expect better from Governor Clinton, who's had virtually no experience in foreign policy?

SENATOR GORE: Well, judgement doesn't come from time served. You either have judgement or you don't. And I think the record of Bush's handling of this policy toward Iraq and his advocacy of the arms for hostages sale--I think the record shows that his judgement has been very bad. And in the case of his policy with Iraq, led directly to the war with Iraq. That did not have to happen.

WOODRUFF: I want to move on now and ask you some questions about domestic economic policy, and also about politics. As you know, Ross Perot is now saying he may get back into the presidential race. There are polls showing--in fact there was one poll out yesterday or today that shows that the lead that you and Governor Clinton have over President Bush and Vice President Quayle is already narrowing, and that with Perot in the race it narrows even further, according to one poll just to five points. Do you welcome Ross Perot in this contest?

SENATOR GORE: Well, it's his decision, and whatever he decides we will move forward from there. There's no much we can do to affect his decision. We'll take it as it comes.

WOODRUFF: Well, aren't you concerned that this could cut into the lead that you and Governor Clinton now enjoy?

SENATOR GORE: Well, we're not following the polls. We're not paying any attention to the pundits who handicap all these political factors. We're just concentrating on presenting a clear choice between more of the same, which is the worst economic performance since the Great Depression, and constructive change to get our country moving again, to put people first, to create jobs for our people. That's what Governor Clinton and I represent, and we're finding a very enthusiastic response to it.

WOODRUFF: Governor Clinton has said, and said again, I think, just in the last day or so that your economic plan and Mr. Perot's have a great deal in common. Now, Mr. Perot, as you know, has called for a 50 cent a gallon tax increase in gasoline over five years. He's talked about increasing taxes on Social Security benefits for those earning over \$25,000 a year. He's talked about increasing the marginal tax rate, and some other cuts in entitlements that might not be attractive to a number of voters who are supporting your candidacy right now. How much do the two plans have in common?

SENATOR GORE: Well, you picked out at least a couple items in your list that they certainly don't share in common. The principal difference between our approach and the Perot plan is that he raises taxes on middle income families in ways that we do not think are wise. But both our plan and his are based on the premise that we've got to reduce the budget deficit. We've put relatively more emphasis on stimulating economic growth and getting our economy moving forward again because we believe very deeply that in the long run we can't reduce the deficit meaningfully without economic growth.

WOODRUFF: But again he is saying that the deficit is not the overriding priority for Clinton-Gore that it is for him,

and that he believes that it should be.

SENATOR GORE: Well, Governor Clinton and I believe that the way to reduce the budget deficit is to also stimulate economic growth--not exclusively, because we have got to make real cuts in the budget deficit. But we should not go about that in a way which has the perverse effect of stifling economic growth.

For one thing, that would be a self-defeating strategy. Because as you know, when economic growth slows down, the budget deficit always goes up.

WOODRUFF: And the approach you've put forward has been criticized. In fact, your approach and the president's approach have been criticized for not being specific enough, and for not filling in the gaps. There was a report in the Wall Street Journal just a week or so ago that went into great detail on your plan, and on the president's plan--pointed out there's something like a \$360 billion gap between the promises that Governor Clinton and you have made and what you would in effect do to cut spending and to raise revenue to pay for all this. And specifically they pointed to the health reform proposal as just being very vague in terms of how costs would be held down.

SENATOR GORE: Well, that's the opinion of one analyst.

WOODRUFF: But others have said the same thing.

SENATOR GORE: Well, you know, Harry Truman wanted a one armed economist. You have "one the one hand, on the other hand." There are some 400 distinguished economists who have reviewed our plan in great detail, have endorsed it. Hundreds of business leaders have as well. On the health care plan, for example, we've had a great many leaders in the health care field, and specialists in this area, endorse the plan wholeheartedly.

We believe that we can save money for the American people by having cost controls on health care, by having a national approach that's not government run, but emphasizes managed competition, to encourage competition on the basis of the quality of care and the efficiency with which it is delivered, rather than what you have now with insurance companies competing to get rid of the customers and patients who are likely to have higher medical costs. That ought to be illegal.

WOODRUFF: And in fact that's one of the contradictions that you just cite that's been pointed out. You talk about holding down costs, holding down the price of medical care, but on the other hand, promoting competition among the HMOs.

SENATOR GORE: But on a new basis. Competition can hold costs down, Judy. Competition can work for us instead of against us. Market pressures often bring costs down if the market place is not distorted.

What we have now is a distorted market place, distorted by government programs that don't work. Bush and Quayle want to pour more money into the same programs. You

realize we're spending almost 30 percent more per person on health care than the people of any other nation on the face of this earth. And so much of it goes to completely unnecessary procedures, red tape, bureaucracy, the kind of duplication and overlap that has no medical benefit whatsoever.

I mean, you have doctors' offices now filled with accountants and specialists who know how to gain in this system. And then the insurance companies hire their team of specialists. And they all fight with each other. I mean, thirty percent of it's going to paperwork now. It's ridiculous.

WOODRUFF: But the question is, why hasn't Governor Clinton and you been more specific about how these costs are going to be held down. There's a great portion of the health program, and again Governor Clinton talked about it in the last few days, that has not been spelled out. The same with the economic program. And there are those who are saying, well, Governor Clinton and Senator Gore are sitting on their lead, in effect. They've decided they're going to run a cautious campaign because they're running ahead and they feel that they can't afford to be more specific.

SENATOR GORE: No, I don't think that's fair. With specific regard to the health care plan, Governor Clinton just made another speech in New Jersey the other day filling out more of the details. We put out an extensive white paper presenting the details of the plan. We believe that it is time for a national health insurance plan of a kind that's not run by the government, but is still rooted in the private sector, but run according to and within a structure that is established in the public interest, with standardized benefit packages, so you don't have this red tape and overlap, with tax credits for employers who provide care in the work place, with cost controls to bring down the cost of care, so that we have a system that provides care at reasonable cost, and makes it accessible to the American people. We've been putting this off for too long.

WOODRUFF: And on the economic plan?

SENATOR GORE: Well, first of all, we will save money in that area. But on the economic plan, similarly, we have put out a very detailed presentation, a five year budget plan, which reduces the budget deficit by half, and also pays attention to the investment deficit, and stimulates economic growth, the creation of high wage jobs, emphasizing education, job training, the acquisition of the skills necessary to compete successfully in the '90s and the 21st century, and targeted investments in those areas that we know are much more likely to yield these new high wage jobs.

WOODRUFF: We're out of time. I just want to ask you one quick last question. That is President Bush saying that Governor Clinton's tax proposal would not just hit upper income people, that he would have to go down to people earning \$36,000 a year in order to pay for the health plan, and other aspects of his domestic--

SENATOR GORE: Just absolutely wrong, based on fictional assumptions. And bear this in mind: Governor Clinton has maintained in his state the second lowest per capita tax

burden in the entire United States, while at the same time leading the nation, number one, among all 50 states, for the last two years in a row, according to Bush administration figures, in the creation of jobs in the private sector.

Bush, by contrast, has left us with an economy having fewer jobs in the private sector after four years than existed when he took over. Governor Clinton has led the nation, named by the other governors as the best and most effective governor in the country, and has created high wage manufacturing jobs at ten times the national average. It's a clear choice: more of the same, or change.

WOODRUFF: Senator Gore, we thank you for being with us.

END GORE INTERVIEW

+++++

+++++

The Reuter Transcript Report

MacNeil/Lehrer Newshour

September 29, 1992

REUTER

Reut19:07 09-29

PRESS OFFICE FAX



DATE: _____

TO: Bail

FAX #: _____

PAGES: _____

FROM: Kathy

PHONE #: (202) 336-7099

FAX #: (202) 336-7243

COMMENTS:

Following is text of
Gore's speech

ps. Full of falsehoods
& delivered horribly!

CONFIDENTIALITY NOTICE:

The document accompanying this telecopy transmission contains information belonging to the sender which is confidential and may be legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the original document to us.

One of the most important questions in this campaign involves the judgment of the candidates on foreign policy. The American people know the world is full of unexpected surprises and dangers -- and as a result they want to know whether or not a president can handle these uncertainties, recognize unanticipated dangers, and realize when national policy must be changed to reflect new realities. The American people also want to know whether or not they can count on their president to tell them the truth.

President Bush, in his handling of our policy toward Iraq, has failed all these tests, and failed them badly. His poor judgment, moral blindness, and bungling policies led directly to a war that should never have taken place. And because of his naïveté and lack of candor, U.S. taxpayers are now stuck with paying the bill for \$1.9 billion President Bush gave to Saddam Hussein even though top administration officials were repeatedly told Saddam was using our dollars to buy weapons technology. Bush, of course, believes that the war with Iraq was his finest hour as the organizer and leader of a vast coalition of armed forces united for the purpose of frustrating the designs of an evil dictator.

But the war with Iraq had deep roots, and if George Bush's prosecution of the war is part of his record, so too is his involvement in the diplomacy which led to it, both in the Reagan/Bush era, and far more so, during his presidency when he accelerated foreign aid and the sale of weapons technologies to Iraq -- right up until the invasion of Kuwait -- in spite of repeated warnings that anyone with common sense would have had no difficulty understanding. The path leading us to that war, and the path which the President has followed after, are deeply shadowed in profound error, in duplicity, and in amoral disregard for our most basic values as a nation. There is also substantial evidence that his administration intentionally falsified export records, and reports to Congress, and in the process apparently violated a number of laws intended to prevent such horrendous mistakes.

Nineteen months ago, President Bush called Saddam Hussein a new Hitler who had to be stopped at all costs. Yet today, that same tyrant remains firmly in power, resisting by every means the will of the international community. No wonder so many Americans ask themselves whether our victory over Saddam will ultimately prove an illusion.

The conduct of the war will remain a proud memory for all Americans. But the full history must also include events before and after the war. That detailed record requires a little more time and effort to understand. And if we really want to judge President Bush's stewardship of policy, then we had better pay

attention to that detailed record, which provides a deeply disturbing look at a blatant disregard for brutal terrorism, a dangerous blindness to the murderous ambitions of a despot, and what certainly appears to be an ongoing effort to hide the facts from the American people whose tax dollars paid for this policy and whose sons and daughters risked and lost their lives in its pursuit.

George Bush wants the American people to see him as the hero who put out a raging fire. But new evidence now shows that he is the one who set the fire. He not only struck the match, he poured gasoline on the flames. So give him credit for calling in the fire department, but understand who started the blaze.

Let me begin by providing a basic historical frame of reference: In September of 1980, Iraq invaded Iran. Iraq was the odds-on favorite to win the war in short order. However, by May 1982, Iraq was clearly in trouble. It had lost a major battle with Iran. Our policy-makers began to imagine Iran under a radical Islamic government emerging as the dominant regional power: a nightmare. I believe that is why, in February 1982, President Reagan took Iraq off the list of states that sponsored terrorism.¹ He did this not because Iraq had gone straight and given up terrorism, but because he wanted to help Iraq while there was time.² By taking Iraq's name off the list, President Reagan opened the way for Iraq to receive US credits through subsidized agricultural loan guarantees and Export-Import Bank credits. Reagan's decision also removed certain kinds of export controls intended to block the transfer of US technology to countries on the official terrorism list.

In other words, for strategic reasons, the Reagan/Bush Administration would overlook virtually any unpleasant reality in Iraq, and apparently subvert US laws in order to prop up Saddam Hussein's brutal regime.

George Bush claims he was an outsider in another momentous Reagan decision--to sell arms to Iran in exchange for American hostages. Of course by now, most people find that very hard to believe and the documentary record is closing in on him. Recently, we learned that former Secretary of State George Shultz and former Secretary of Defense Caspar Weinberger were outraged

¹Congressional Quarterly Weekly Report, 4/27/91.

²5/21/82 letter from Kenneth Duberstein, White House head of Congressional liaison, to Senator Rudy Boschwitz: "The removal of Iraq from the list of countries supporting international terrorism is intended both to recognize Iraq's improved record and to offer an incentive to continue this positive trend."

Contrast this with statement by Noel Koch, the Defense Department's head of counterterrorism at the time: "No one had any doubts about his [Saddam's] continued involvement with terrorism...The real reason was to help them succeed in the war with Iran." [Washington Post, 9/16/90].

when they heard then Vice President Bush was disclaiming any knowledge of the Iran arms deal and the fact that the two senior cabinet officers had vigorously opposed it. Notes taken at the time of their telephone conversation about this event have Mr. Weinberger saying that Bush's comments were "terrible" and that, far from being ignorant of developments, Bush had been "on the other side" of the struggle over policy.³ Just last week, more evidence surfaced showing that Bush is recorded as having attended numerous meetings across a span of three years when White House senior officials debated the plan to sell arms to Iran and then were briefed on the status of the program.⁴ He was also present at the meetings in which the trade of arms for American hostages was explicitly discussed. And now two of the briefers have directly challenged the veracity of President Bush's claim that he didn't know arms were being swapped for hostages. Far from being "out of the loop", Bush seems to have been one of the most vigorous and vociferous advocates of the illegal side of the argument. Indeed, his arguments to the contrary are simply no longer credible. His national security advisor was clearly uncomfortable even going so far as to say that Bush's version was "possibly" true.

Now new evidence about his policy toward Iraq directly contradicts President Bush's repeated statements to the American people that he did nothing that helped Saddam's effort to acquire weapons of mass destruction during the months and years preceding Saddam's invasion of Kuwait. To begin with, George Bush cannot even try to claim ignorance where policy toward Iraq was concerned. Not only was he directly in the loop, he was a principal architect of the policy from its earliest days. For example, in April of 1984, Bush personally lobbied the Ex-Im Bank's chairman--a friend from college days--to disregard the views of his own economists, and extend credits to Iraq.⁵ Doubts about Iraq's credit-worthiness were very well-founded. But the overriding issue was whether Iraq could continue to hold on in the war with Iran. That's all that seemed to matter.

In pursuit of that objective, the Reagan/Bush Administration would overlook the fact that it was an Iraq-based group that masterminded the assassination attempt against Israel's

³New York Times and Washington Post, 8/26/92.

⁴Washington Post, 9/24/92.

⁵Memorandum for Donald Gregg (National Security Assistant to Vice President Bush) from Charles Hill, Executive Secretary to Secretary of State George Shultz, "Subject: Ex-Im Bank Financing for Iraqi Export Pipeline," 6/12/84.

ambassador to the UK, which occurred in June 1982.⁶ This event triggered Israel's invasion of Lebanon--not exactly a minor consequence for US policy. The Reagan/Bush Administration was also prepared to overlook the fact that the terrorist who masterminded the attack on the Achille Lauro and the savage murder of American Leon Klinghoffer fled with Iraqi assistance.⁷ Nor did it matter that the team of terrorists who set out to blow up the Rome airport came from Baghdad with suitcase bombs.⁸

Iraq not only stayed off the terrorist list no matter what, but in November 1984, full diplomatic relations were established with the country. The US government continued to exert every effort to channel assistance to Saddam Hussein--even with evidence that he was not only promoting terrorism, but was also pursuing a nuclear weapons program. As early as May of 1985, Assistant Secretary of Defense Richard Perle warned about the suspected diversion of US exports of dual-use technology to the Iraqi nuclear weapons program.⁹ But Bush ensured that the flow of technology continued.

In March 1987, Bush again took a prominent role: when Iraq's ambassador complained that our Defense Department was taking too long and being too cautious about export licenses for high tech items, Bush apparently agreed with him that the Defense Department was being capricious and had to get with the program.¹⁰

There might have been a moment's pause for reflection when Iraqi aircraft intentionally attacked the USS Stark in May 1987, killing 37 sailors -- but the Administration smoothed it over

⁶Washington Post, 3/8/83; The Guardian, 3/13/83. The latter identifies the assassin as "a colonel in the Iraqi intelligence service."

⁷Washington Post, 10/16/85.

⁸Acknowledged in State Department memorandum to Secretary Schultz from Frank McNeil, Acting Director of Bureau of Intelligence and Research, "Iraq's Retreat from International Terrorism," 7/1/86. As to the "retreat" referred to in the title, the memo states that it has been "painfully slow."

⁹Memorandum for the Secretary of Defense from Assistant Secretary for International Security Policy Richard Perle. "High Technology Dual Use Exported for Iraq," 7/1/85; see also Memorandum for Under Secretary of Defense for Policy from Assistant Secretary Perle, "Computers for Iraq," 3/10/85.

¹⁰Memorandum for Donald Gregg (National Security Assistant to Vice President Bush) from Melvyn Levitsky, Executive Secretary to Secretary of State Shultz, "Subject: The Vice President's March 2 Meeting with Iraqi Ambassador Nizar Hamdoon," 2/26/87 [published in Congressional Record, 2/24/92, pp. H 519-520].

very fast. This was the spring when the Ex-Im Bank staff resisted another \$200 million loan for Iraq, but again the loan was granted after Bush again personally intervened to stress its political importance. The loan went through in May, just two days before the attack on the Stark.¹¹

Now, let me make a point about foreign policy and the real world. The actual conduct of foreign policy often bears as much resemblance to academic theory as the conduct of domestic politics bears to a civics course. If we have to deal with someone bad in order to handle someone worse, then for heaven's sake we should at least be ready to re-evaluate that relationship the moment it has outlived its value to the United States.

In other words, whatever the arguments for temporarily supporting Saddam Hussein as a barrier separating Saudi Arabia's oil from Iran's militant fundamentalists, Bush deserves heavy blame for intentionally concealing the American people the clear nature of Saddam Hussein and his regime, for convincing himself that friendly relations with such a monster were possible, and for persisting in this effort far, far beyond the point of folly.

Throughout this period, Saddam's atrocities continued. In March 1988, Saddam Hussein used poison gas on the Kurdish town of Halabja, brutally murdering some five thousand innocent men, women and children. None of us can ever forget the pictures of their bodies--of parents trying to shield their infants even in death -- that were in our news media.

The Iran-Iraq War ended in August of 1988. Iraq had not prevailed, but neither had it been defeated. As a result, you would think that the Administration would give our policies a second look to see if they should be altered. But the Reagan/Bush Administration never hesitated even when the news became much, much worse. Within days of the end of the Iran-Iraq War, Saddam Hussein--seeing that he had gotten away with using poison gas against the Kurds previously--launched additional major gas attacks on them. The war was over, and he was determined to settle accounts. Saddam's attacks created, in addition to the wave of deaths, a flight of about a half million Kurdish refugees.

The effect of these events on the public and on Congress was electrifying. The outrage and disgust sparked action and ignited an intensification of efforts to pull the plug on US assistance to Saddam Hussein. I myself went to the Senate floor twice demanding tough action.¹² But these efforts were resisted to the bitter end by the Reagan/Bush and Bush/Quayle Administrations. For example, they pulled out all the stops to defeat the Prevention of Genocide Act, after the US Senate had passed it unanimously in September of 1988.

¹¹Idem.

¹²Congressional Record, 9/12/88, p. S. 12309; Congressional Record, 10/7/88.

Meanwhile, the US Customs Service was reporting that in 1988, it had marked a notable increase in the activity of Iraq's network of procuring agents and front corporations. A concerted effort was underway to obtain missile technology, chemical weapons technology, and biological weapons technology.¹³

In January 1989, George Bush was sworn in as President. Based on plentiful evidence, he had reason to know that his ongoing policy regarding Iraq was already malfunctioning.

Just last week, we learned of a memorandum written in March, 1989, to Secretary of State Baker, as he prepared to meet with a senior Iraqi official in which the author noted that Iraq continued to cooperate with terrorists, that it was "meddling" in Lebanon, and that it was "working hard at chemical and biological weapons and new missiles."¹⁴ What is especially interesting about this memo is that it notes that in the months preceding this meeting Iraqi oil exports to the US had increased dramatically and on favorable terms. That point raised the question of a quid pro quo sought by the Iraqi officials -- cheap oil in exchange for "freer export licensing procedures for high tech." The memo's drafter notes -- somewhat critically and impatiently -- that export applications were being held up by the Commerce Department, and by the Defense Department, out of concern that the proposed exports could enhance Iraq's military capabilities.

These concerns were well-founded. In April 1989, a nuclear proliferation expert from the Department of Energy reported intelligence indicators that Iraq had a crash program underway to build an atomic bomb.¹⁵ In June, the Defense Intelligence Agency reported that Iraq was running a major European network to procure military goods that were not supposed to be sold.¹⁶ In August, the FBI raided the Atlanta Branch of the Italian Banca Nazionale del Lavoro (BNL) and seized evidence of over \$4 billion in illegal loans to Iraq, as well as use of about \$2 billion of those funds to buy nuclear and other military technologies. On September 22nd, Assistant Secretary of State John Kelly wrote a memo acknowledging that money coming to Iraq through the Atlanta

¹³1991 testimony by the US Customs Service to the House Ways and Means Committee, cited in Congressional Record on 8/10/92, p. H 7876.

¹⁴Memo from Paul J. Hare, Acting Assistant Secretary for Near Eastern and South Asian Affairs, to Secretary Baker, "Subject: Meeting with Iraqi Under Secretary Nizar Hamdun", 3/23/89.

¹⁵House of Representatives, Committee on Energy and Commerce, Nuclear Nonproliferation, Hearing, 4/24/91.

¹⁶Los Angeles Times, 8/6/92; Congressional Record, 8/10/92, pp. H 7872-7876.

branch of the BNL did "appear to have been used" to finance acquisition of sensitive military technology.¹⁷ Also in September, the USDA reported kickbacks and possible diversions of US-supplied agricultural funds for military purposes.¹⁸

Most significant of all, in the same month, the CIA reported to Secretary of State James Baker and other top Bush administration officials that Iraq was clandestinely procuring nuclear weapons technology through a global network of front companies.¹⁹ Now, in the midst of this flood of highly alarming information, on October 2, 1989, President Bush signed a document known as NSD-26, which established policy toward Iraq under his Administration.²⁰ This document is the benchmark for judging George Bush's record for the direction of American policy toward Iraq in the period that would ultimately lead to war. We have only a partial idea of what is in that document, since the version that was finally released to Congress has been heavily censored. But the core statement of purpose and the fundamental assumptions behind it are clear. And so is the incredibly poor judgment of George Bush.

NSD-26 mandated the pursuit of improved economic and political ties with Iraq on the assumption that Iraqi behavior could be modified by means of new favors to be granted. Perhaps so, if this were a state not under the complete control of a single man whose ruthlessness was already totally apparent. The text of NSD-26 blindly ignores the evidence already at the Administration's disposal of Iraqi behavior in the past regarding human rights, terrorism, the use of chemical weapons, and the pursuit of advanced weapons of mass destruction. Instead it makes a heroic assumption of good behavior in the future, on the basis of an interesting theory--namely, that Iraq would suddenly and completely change its ways out of a fear of economic and political sanctions.

It leaps from the page, that George Bush, both as Vice President and President, had done his utmost to make sure that no such sanctions would ever apply to Saddam Hussein. Consequently, the question is unavoidable: why should Saddam Hussein be

¹⁷Memorandum, Assistant Secretary Kelly to Under Secretary Bartholomew, "The BNL Scandal and Trade With Iraq," 9/22/89, included in Congressional Record, 7/21/92, p. H 6345. Also Los Angeles Times, 7/22/92.

¹⁸Los Angeles Times, 2/25/92.

¹⁹Los Angeles Times, 8/6/92; Congressional Record, 8/10/92, pp. H 7872-7876.

²⁰National Security Directive 26, "US Policy Towards the Persian Gulf" addressed to the Vice President, Secretary of State, Secretary of Defense, Assistant to the President for National Security Affairs, et al., 10/2/89.

concerned about a threat of action in the future from the same man who had resolutely blocked any such action in the past? To the contrary, Saddam had every reason to assume that Bush would look the other way -- no matter what he did.

In my view, the Bush Administration was acting in a manner directly opposite to what you would expect with all the evidence it had at the time. Saddam Hussein's nature and intentions were perfectly visible.

In October of 1989, representatives of the Departments of State and Agriculture met to discuss Iraq's diversion of US agricultural credits into the acquisition of US technology for its nuclear weapons program.²¹ Later that same month, however, on October 26th, Assistant Secretary of State Kelly sent Secretary Baker a memo jointly written with the State Department's legal counsel, Abe Sofaer, urging that Baker push an additional \$1 billion in agricultural loan guarantees for Iraq, notwithstanding the mushrooming scandal surrounding the diversion of BNL loans by Iraq for nuclear purposes.²²

I will leave to others to debate whether Sofaer's efforts-- or those of White House Counsel Boyden Gray's staff--to sound out the intentions of the Atlanta prosecutor constituted a crude form of intervention.²³ My point is that before and after consecrating a policy that tied us hip and thigh to Saddam Hussein, George Bush had all the information he needed to know that he was in deep, deep ... water. But he persisted, although in November the CIA again reported that Baghdad was shopping everywhere for chemical, biological, and nuclear technologies and for ballistic missile technology.²⁴ And even though the CIA again reported a link between BNL funding and the Iraq nuclear and missile programs²⁵, in November the Administration agreed to go ahead with another billion dollars in US taxpayer

²¹Memorandum of conversation from Frank Lemay, Special Assistant to the Under Secretary for Economic Affairs, to Under Secretary McCormack, Legal Advisor Sofaer, Acting Assistant Secretary Jock Covey, et al., "Subject: USDA Comments on 'Investigations of Iraq and the BNL-Atlanta Scandal,'" 10/13/89:

"It now appears that, at minimum, elements of the government of Iraq knew of the illegal dealings...If smoke indicates fire, we may be facing a four alarm blaze."

²²Memorandum to Secretary Baker from Assistant Secretary Kelley and Legal Advisor Sofaer, 10/26/89.

²³New York Times, 7/9/92; Washington Post, 7/9/92.

²⁴Los Angeles Times, 7/22/92.

²⁵Congressional Record, 9/14/92.

subsidized loan guarantees to Iraq.²⁶

In January of 1990, President Bush issued a determination that exempted Iraq from section 512 of the Foreign Operations Appropriations Act of November 1989 prohibiting further loans to Iraq. On grounds of "national security," the President declared that the Act's prohibition would not apply.²⁷ And yet, this was the season when the RAND Corporation reported that an estimated 1400 terrorists were operating out of Iraq.²⁸

In February 1990, Saddam Hussein called for the removal of US military forces from the Persian Gulf. And yet, the same month, the Administration actually apologized to Saddam for the content of a Voice of America broadcast criticizing Iraq's human rights record.²⁹ Coddling tyrants is a hallmark of the Bush foreign policy.

March, 1990, brought no improvement, when US and British agents arrested several Iraqis in the act of trying to smuggle nuclear triggering devices into Iraq. In April, Saddam Hussein issued his infamous threat to burn up half of Israel with chemical weapons. Still, Bush toadied up to Saddam.

Also in April, the Federal Reserve Bank of New York noted that BNL money was diverted to purchase nuclear triggers in the United States, which had later been seized by British customs.³⁰ That same month, British Customs also seized pipe

²⁶State Department Memorandum, Assistant Secretary Kelly to Under Secretary Kimmitt, "NAC Deputies Meeting on the CCC Program for Iraq," 11/8/89; Letter, Under Secretary of State Eagleburger to Under Secretary of Treasury Robson, 11/8/89; numerous documents included in Congressional Record, 3/2/92, pp. H 858-870; "BNL Chronology," House Banking Committee.

²⁷Federal Register (Vol. 55, No. 28), 2/9/90, "Application of the Export-Import Bank restrictions in Connection with Iraq."

²⁸US Congress, House of Representatives, Developments in the Middle East, Hearing before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs, 7/31/90; Bruce Hoffmann, The Ultimate Fifth Column: Saddam Hussein, International Terrorism and the Crisis in the Gulf, RAND Corporation Report P-7668, 8/90.

²⁹Cable from Secretary of State Baker to Ambassador April Glaspie, 2/27/90; Letter from Ambassador Glaspie to Iraqi Foreign Minister Tariq Aziz, 2/28/90, full texts included in Stanley Kober, Appeasement and the Gulf War, Progressive Policy Institute, 7/92.

³⁰Memorandum, Federal Reserve Board of New York, to Mr. Corrigan from Thomas C. Baxter, Jr., "Subject: Lavoro", 4/5/90: "I followed up on your suggestion about a possible connection between BNL and the nuclear triggers that were seized in London.

sections heading for Iraq, which were determined to have been parts of a super-gun. Similar shipments were seized in Greece, Turkey, Italy, West Germany and Switzerland.

Yet, on April 12th, at the personal request of Bush, Senators Bob Dole and Alan Simpson -- the number one and number two Republican leaders in the Senate -- travelled to Baghdad and told Saddam Hussein that President Bush was still ready to veto any sanctions bill that Congress might pass.³¹ They added -- again at Bush's personal request -- the comforting news that the author of the offending Voice of America criticism had been fired that same day in an effort to please Saddam.

In April and May, Commerce Under Secretary Dennis Kloske attended two meetings at the White House where he recommended that the US tighten restrictions on exports of high technology, but he was overruled,³² and the flow of technology from the US continued. As a side-note, when Kloske testified about this before the House Foreign Affairs Subcommittee on International Economic Policy and Trade about a year later, he was fired within forty-eight hours.

May arrives, and a terrorist attack on the public beaches of Tel Aviv was launched and thwarted. It was planned by a Palestinian group operating openly in Baghdad.³³ On May 21, the USDA sent up another warning about diversions of funds from US-guaranteed loans. But on June 15th, 1990, Assistant Secretary of State Kelly told the Senate Foreign Relations Committee that the Administration still opposed any Congressional sanctions against Iraq. And in July, as Iraqi tanks and soldiers massed on the Kuwaiti border, the Senate tried to pass another sanctions bill against Iraq...and the Administration opposed it. Not only that, but on the eve of the invasion, the Bush/Quayle Administration kept selling Saddam dual-use technology such as sophisticated computers, flight simulators, and equipment to manufacture gun barrels.³⁴

At that very moment, however, high level officials in the Administration, including Secretary of State James Baker, were finally forced to confront what they had known from the outset of Bush's administration: that Iraq had grossly abused the benefits

"As you suspected, there is a connection."

³¹New Republic, 11/5/90; CO Weekly Report, 4/27/91.

³²One meeting on 4/16 and one on 5/29: Source is Memorandum, US Department of Commerce, from Iain S. Baird to Dennis Kloske, "Subject: The NSC and Iraq," included in Congressional Record, 7/21/92, pp. H 6345-6346; also Los Angeles Times, 2/24/92.

³³US Congress, Developments in the Middle East; Hoffmann, The Ultimate Fifth Column.

³⁴Washington Post, 3/11/91.

extended to it by Bush. In July, a memo jointly drafted by four senior officers of the Department of State was sent to Secretary Baker and approved by him. According to this memorandum -- the existence of which just came to light a few days ago--the Administration acknowledged that "Iraq is actively engaged in developing chemical and biological weapons and ballistic missile systems, and may be seeking to develop nuclear weapons as well. Iraq has been attempting to obtain items to support these proliferation activities from US exporters, in some cases successfully." The memorandum concludes that the time had come for the Administration to "move now on Iraq because of its very active proliferation-related procurement efforts" and because "there is a danger that US exporters could become implicated in these efforts."³⁵

Bear in mind that Saddam Hussein was then only one week away from an act of open aggression that would bring us to war. It had taken this long for an awareness of what was going on for years to be acknowledged within the Administration.

Much has been said about the record of our Ambassador to Iraq April Glaspie's famous interview of July 25th with Saddam Hussein. But the Ambassador's servile message was a clear expression of Bush's personal views.³⁶ Her message was totally in line with US policy as laid down by President Bush in October 1989, and clung to until August 2, 1990, when Iraq invaded, conquered, and annexed Kuwait.

Within a month, our sons and daughters were to be sent to risk their lives facing a threat that had been built up through US technology and US tax dollars by our own President, who now summoned them to battle. In answer to this charge, President Bush has explicitly denied that his policies enhanced Saddam Hussein's nuclear, biological and chemical capabilities.³⁷ He

³⁵Memo to Secretary Baker from William Rope, Jock Covey, Michael Matheson and Eugene McAllister, "Subject: Foreign Policy Controls for Proliferation-Related Exports to Iraq", (7/19/90).

³⁶Glaspie stated to Saddam that she "carried direct instructions from the President to seek better relations with Iraq." Also, the day before the Glaspie-Saddam meeting, Margaret Tutwiler stated that "we do not have any defense treaties with Kuwait, and there are no special defense or security commitments to Kuwait." Washington Post, 9/12/90; New York Times, 9/23/90.

³⁷Bush denials, in addition to those cited below:

o Rep. Gonzalez letter to President Bush, 1/31/92, asserting that Bush's report (still secret) submitted to Congress as required by the Iraq Sanctions Act of 1990 concludes that "US firms did not contribute directly to Iraq's conventional and nonconventional capabilities," but Gonzalez asserts that "the report to Congress is clearly inaccurate. In fact, numerous US

denied this, not only in an official report to Congress in the fall of 1991, but as recently as June 13th and July 1st of this year, when Bush said: "We did not enhance Saddam Hussein's nuclear, biological, or chemical weapons capability"³⁸ But as I have just mentioned, his own Secretary of State knew differently at least as of July 1990, and the actual record of our exports shows the facts rather differently than the President wants to remember them:

- o Almost 30% of our non-agricultural exports to Iraq between 1985 and 1990 went to the Iraqi military-industrial complex.³⁹

- o Of these exports, there were 162 items that were licensed for sale despite their potential nuclear applications.⁴⁰

- o The Administration permitted the sale of powerful computers comparable to those used in our own missile test ranges, despite objections from the Department of Defense.⁴¹

- o It allowed shipment of high-tech equipment needed for Iraq's Condor II missile, which was to have been able to deliver a nuclear warhead at a range of more than 600 miles.⁴²

companies provided critical support to Iraqi weapons programs, including missiles."

- o Bush's 8/25/92 American Legion speech allegedly warning about "madmen who we cannot let get their finger on the nuclear trigger."

³⁸In a press conference in Rio de Janeiro on 6/13/92, Bush said: "Our policy was well-known. We tried to bring Saddam Hussein into the family of nations. That policy was not successful. We did not enhance his nuclear, biological, or chemical weapon capability, a charge recklessly made in this political year."

In an appearance on CBS "This Morning" on 7/1/92, Bush said: "We did not go to enhance his *nuclear*, biological, or chemical capability. I have an executive order out on specifically that. And you have repeated something that isn't true."

³⁹Congressional Record, 7/21/92.

⁴⁰Figure by Rep. Sam Gejdenson as cited in Los Angeles Times, 7/2/92.

⁴¹"Strengthening the Export Licensing System," a report by the House Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, 7/2/91.

⁴²Congressional Record, 5/18/92, p. H 3373; Congressional Record, 2/3/92, p. H 213.

o It allowed for the export of materials needed for the infamous "supergun" project, intended to have the ability to launch nuclear weapons like artillery shells over hundreds of miles.⁴³

o Machine tools, lasers and other equipment for the manufacture of rocket casings used in SCUD missiles were sold. When UN inspectors got into Iraq, they found at Saddam Hussein's main nuclear weapons complex a carbide-tipped machine tool factory which had been built with technology and equipment licensed for export by the Bush Administration.⁴⁴

o The Administration licensed technology and equipment for fabricating shapes out of glass fiber over the objections of the Department of Defense, which noted that the purchaser was part of the Iraqi military-industrial complex, and that this kind of equipment was needed for a nuclear weapons program. The Administration preferred to blindly accept the importer's ludicrous claim that the equipment would be used to make shower stalls.⁴⁵

o Equipment for a "detergent" factory was licensed, yet this same factory was used to make chemical weapons.⁴⁶

o 17 licenses for the export of bacterial and fungus cultures to Iraq were granted, even though the CIA specifically linked the Iraqi government agencies involved to "biological warfare support and numerous other military activities."⁴⁷

o The UN Special Commission, once it finally got inside Iraq, is reported to have found equipment from eleven American companies in Iraqi missile and chemical weapons plants.⁴⁸

⁴³Washington Post, 2/10/91.

⁴⁴"Licensing Mass Destruction: US Exports to Iraq," Wisconsin Project on Nuclear Arms Control report, 6/91; "Strengthening the Export Licensing System," a report by the House Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, 7/2/91.

⁴⁵Congressional Record, 7/27/92, pp. H 6702-6704.

⁴⁶"Approved Licenses to Iraq," Lists submitted to the House Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, 3/7/91.

⁴⁷Congressional Record, 7/21/92, p. H 6346.

⁴⁸Washington Post, 7/22/92.

It is astounding to look at the list of Iraqi customers approved by the Administration:

- o The Ministry of Industry and Military Industrialization (known as MIMI), which was headed by a brigadier general who was Saddam Hussein's son-in-law, and which the CIA identified as "controlling Iraq's nuclear network."⁴⁹

- o The Saddam State Establishment and Salah Al Din, called in an intelligence report "typical of Iraq's arms production facilities."⁵⁰

- o Sa'ad 16, identified back in 1986 as a key missile production site, where as much as 40% of the equipment was reported to be US-made.⁵¹

- o The Administration even sold Saddam Hussein helicopters for his personal use, equipped with special infra-red guidance and defensive systems.⁵²

Incredibly, the Bush Administration knew all along that the chief purchasing agent for much of this material was the head of an Iraqi weapons complex. "The tentacle of the octopus," as one law enforcement official put it, was a US company called Matrix-Churchill. It was a key player in Saddam Hussein's efforts to acquire nuclear and other weapons technologies. The chairman of this so-called "American" corporation was one Safa al-Habobi, who was simultaneously the Director General of the Iraqi Nassr State Enterprise for Mechanical Industries, well-known by our intelligence agencies as a major Iraqi military-industrial complex where missiles and nuclear weapons equipment were manufactured.⁵³

⁴⁹Congressional Record, 8/10/92, p. H 7873.

⁵⁰Congressional Record, 7/21/92, p. H 6342.

⁵¹DoD opposed sales to SAAD 16 "because of the high likelihood of military end use and the association of the involved companies in sensitive military applications" [DoD memo cited by Elaine Sciolino, The Outlaw State, p. 142.] See also an 8/9/88 DoD Office for Non-Proliferation analysis: "almost all the labs named [at Saad 16] deal with areas applicable to missile research and production" [Timmerman, The Death Lobby, p. 207].

⁵²"Approved Licenses to Iraq," Lists submitted to the House Government Operations Subcommittee on Commerce, Consumer and Monetary Affairs, 3/7/91.

⁵³New York Times, 7/26/92 and Los Angeles Times, 7/24/92 and 8/7/92.

There was report after report linking Habobi's firm, Matrix-Churchill, to Iraq's global network of front companies and even back to the Iraqi Ministry of Industry and Military Industrialization (MIMI) and Saddam's son-in-law Hussein Kamal. But the Bush Administration kept issuing licenses.⁵⁴

And as for how Iraq paid for all this when it was already far over its head in debt as the result of the war with Iran and Saddam Hussein's economic policies, a large part of the answer is: on credit in the form of loans guaranteed by the Bush/Quayle Administration. In the fall of 1989, Bush pushed hard to make sure that \$1 billion in new loan guarantees were provided to Saddam Hussein.⁵⁵ It didn't matter that federal agencies were reporting severe abuses of prior loan guarantees from the United States. In the end, the US taxpayer has been left holding the bag for almost \$2 billion of loans to Iraq which will never be repaid.⁵⁶ After bailing out the savings and loans, American taxpayers are now being forced by Bush's poor decisions to bail out Saddam.

When it came time to confront the consequences of these years of serious mistakes, when it came time to confront Saddam Hussein's invasion of Kuwait with an international coalition united in its resolve and purpose, George Bush, all the way up until the moment the combat ended, displayed fortitude and skill. But the chestnuts he pulled from that fire were his own. His policies nurtured Saddam Hussein. He was deaf to information that to any other ear was a fire-bell in the night, ringing clearly that our policies were disastrously wrong.

And incredibly, immediately following the war, President Bush reverted to form. At President Bush's encouragement, an armed resistance to Saddam Hussein sprang up in Iraq. But at the critical moment, it was George Bush's decision to betray that resistance by tolerating Saddam Hussein's use of attack helicopters to put down the rebellions. That was a clear violation of the terms of the ceasefire, and it was a violation we had more than enough power to suppress.

Had we insisted on the terms of the ceasefire, there would have been a much better chance that today we would not be facing Saddam Hussein in power.

Should a man who mistook Saddam Hussein for a docile ally--and who then pursued that error to the point where the lives of hundreds of thousands of Americans had to be put on the line--have a second term as President of the United States? Has George Bush told the truth, the whole truth about a policy that left our nation facing a brutal, murderous dictator? If he will take

⁵⁴Idem.

⁵⁵Washington Post, 4/29/92; Los Angeles Times, 2/24/92 and 2/25/92.

⁵⁶Los Angeles Times, 2/25/92.

credit for the victory, will he also take responsibility for the policy that made war inevitable? The answer to these questions is no.

George Bush sent loan guarantees to an oil-rich dictator. George Bush sold dangerous technology to a criminal who was intent on developing and using lethal weapons. George Bush sent secret intelligence reports to a man who, by any stretch of the imagination, could not be trusted. George Bush refused to face the truth or hear the urgent warnings coming from his own Administration. And then, George Bush put American lives on the line in a war that never would have happened except for his mistakes.

In so many ways, George Bush does not fit the requirements of the New World Order his own speechwriters once summoned up. We require a fresh approach from a new leader of vigor and high intelligence, of courage and vision, who believes to the core that the enemies of freedom cannot be anything but the enemies of our country. I think that the people of the United States have and will take the opportunity to select such a leader. Bill Clinton is that man.