FOIA Number: 2011-0587-F

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NAFTA [North American Free Trade Agreement] [4]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. speech	re: Expanding Trade and Creating American Jobs (19 pages)	10/04/1992	Personal Misfile

COLLECTION:

Clinton Presidential Records
Press Secretary
Dee Dee Myers
OA/Box Number: 1875

FOLDER TITLE:

NAFTA [North American Free Trade Agreement] [4]

2011-0587-F
jp3763

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Nafta

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 17, 1993

REMARKS BY THE PRESIDENT
AFTER HOUSE NAFTA VOTE

The Grand Foyer

11:03 P.M. EST

THE PRESIDENT: Thank you very much. Just a few minutes ago the House of Representatives voted to approve the North American Free Trade Agreement. NAFTA will expand our exports, create new jobs and help us reassert America's leadership in the global economy. This agreement is in the deep self-interest of the United States. It will help make working Americans, the world's most productive workers, winners in the world economy.

I want to thank the lawmakers of both parties who gave their support to NAFTA. Many of them, as everyone knows, showed real courage in voting their consciences and what they knew to be in the best interest for their nation. I want to thank all the citizens who worked so hard for this, the business leaders -- especially the small business leaders, the spokespersons for the NAFTA fight -- including Lee Iacocca who's here with this tonight.

I want to say a special word of thanks to the members of the Cabinet who labored so hard and long, especially Mickey Kantor, our Trade Ambassador, for his tireless effort on the side agreements and to lobby this through; and the Secretary of the Treasury, who is a native of south Texas and who understands so clearly why this is in our interests. And I want to say a special word of thanks to Vice President Gore for bringing home the message to the American people in his superb debate performance.

Tonight's vote is a defining moment for our nation. At a time when many of our people are hurting from the strains of this tough global economy, we chose to compete, not to retreat; to lead a new world economy; to lead as America has done so often in the past. The debate over NAFTA has been contentious. Men and women of goodwill raised strong arguments for and against this agreement. But every participant in this debate wanted the same things -- more jobs, more security, more opportunity for every American, and so do I.

I thank those who worked with us. I thank especially the people who organized the grass-roots effort in our behalf, Bill Daley and former Congressman Bill Frenzel. I also thank the passionate defenders of the working people who oppose NAFTA for exercising their right to speak out. And they were right to speak out against economic conditions which have produced too few jobs and stagnant incomes, as well as inadequate strategies for retraining our workers and investing in our people and our places that need them. They fought hard and they have my respect.

But in an economy where competition is global and change is the only constant, we simply cannot advance the security of American workers by building walls of protection around our economy or by pretending that global competition isn't there. Our only choice is to take this new world head on, to compete and to win. That's why it's so important that we pass NAFTA. And I hope the Senate will complete the process in the next few days.

MORE

By eliminating Mexico's tariffs and restrictive rules we'll be able to export more cars, more computers and other products and keep more American workers on the job here at home. NAFTA will raise environmental and labor standards in Mexico. And I want to ask tonight labor and management to work together with our administration to ensure that the labor and environmental provisions of NAFTA are honored. We must make sure that this pact works to America's advantage.

NAFTA is a big step, but just the first step in our effort to expand trade and spark an economic revival here and around the world. One legitimate point that the opponents of NAFTA made is that we will do even better in the global economy if we have a training system and a retraining system and a job placement system for our workers worthy of the challenges they face. We simply must guarantee our workers the training and education they need to compete in the global marketplace. And I call on the coalition that passed NAFTA to help me early next year present to the Congress and pass a world class reemployment system that will give our working people the security of knowing that they'll be able always to get the training they need as economic conditions change.

We must also provide our citizens with other things -- with health care that can never be taken away; with increased investment in people and places and jobs. And we must continue the fight to lower foreign trade barriers which slow economic growth here in the United States and around the world.

Tomorrow I go to Seattle to meet with the leaders of 15 Asian Pacific economies. I will ask them to work toward more open markets for our products. When I return, I'll reach out to the other market-oriented democracies of Latin America, to ask them to join in this great American pact that I believe offers so much hope to our future.

And next month we will urge our European and Asian competitors to complete work on the worldwide trade agreement that can literally create hundreds of thousands of jobs here in the United States as we open markets all across the globe.

We've faced choices before like the one we faced tonight -- whether to turn inward or turn outward. After World War I the United States turned inward and built walls of protection around our economy. The result was a depression and ultimately another world war. After the second world war, we made a very different choice. We turned outward. We built a system of expanded trade and collective security. We rebuilt the economies of our former foes and in the process created the great American middle class.

Tonight with Cold War over, our nation is facing that choice again. And tonight I am proud to say, we have not flinched. Tonight the leaders of both parties found common ground in supporting the common good. We voted for the future tonight. We once again showed our strength. We once again showed our self-confidence even in this difficult time. Our people are winners. And I believe we showed tonight we are ready together to compete and win and to shape the world of the 21st century.

Thank you very much.

Q Mr. President, how are you going to make up with the Democratic leaders who worked -- or fought this trade agreement so vociferously?

THE PRESIDENT: Well, I thought what they all said tonight was a very good signal. At the end of that debate I was deeply moved by the efforts that people on both sides of the issue made to reach out to each other and to say that we have to make this work now; we have to go forward now; we have to build our economy. And I think you will see that happening. I think you will see a greater sense of unity and commitment to have the kind job training programs we need, to have the kind of investment strategies we need to keep forcing these trade barriers down abroad.

And I must say, too, I hope we'll see in the future some more of this bipartisan effort to build economic security for Americans, because a lot of our national security in the future is going to be involved with rebuilding our economic strength from the grassroots up. And that's a very hopeful part of this debate.

Q What about the relationship with organized labor, sir?

THE PRESIDENT: Well, I -- one of the things I learned, again, in this fight is that they have an enormous amount of energy and ability to organize and ability to channel the passions and feelings of their workers. You know, when you think about it, we had the White House, the leaders of both parties -- an enormous amount of support -- and we had to come from a long way back to win this fight because of the work they did largely. And what I want to do is to ask them to join me now, as I said tonight, in making sure that the labor and environmental agreements are honored, in going on to the health care battle, in going on to other economic battles, and in making sure we give our working people the kind of education and training programs they need to compete in this different and very competitive global economy. Thank you. (Applause.)

END 11:12 P.M. EST

Nafta

THE WHITE HOUSE

WASHINGTON

November 15, 1993

Dear Mr. Leader:

On more than one occasion I have been asked whether the North American Free Trade Agreement (NAFTA) might become a divisive issue in the 1994 Congressional elections. Each time I have been asked this question I have expressed the hope that this issue would continue to be viewed in a spirit of bipartisan cooperation befitting an issue of such historical importance.

Since I have sought the support of all members of the House of Representatives for the NAFTA implementing legislation as a matter of compelling national interest, I hope to discourage NAFTA opponents from using this issue against pro-NAFTA members, regardless of party, in the coming election.

After our shared success later this week, when I will have the pleasure of sending thank you letters to at least 218 House members, I will reaffirm my position on the inappropriateness of fighting NAFTA again in the 1994 election.

As always, you have my respect and appreciation.

Sincerely,

Bill Clinton

The Honorable Robert H. Michel
Republican Leader
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

November 15, 1993

Dear Mr. Speaker:

As we approach the end of an intense debate over the North American Free Trade Agreement (NAFTA), I want to share with you my reasons for believing Congressional approval of NAFTA is essential to our national interest.

We share a commitment to ensuring that our country has the world's strongest and most competitive economy, to maintaining and creating jobs for our workers, and to making sure that opportunities are there for our children as they join the workforce of the future. That is why I am fighting for the approval of NAFTA. I am convinced that it will help strengthen our economy -- in the near term and in the long run.

Our nation's prosperity depends on our ability to compete and win in the global economy. It is an illusion to believe that we can prosper by retreating behind protectionist walls. We will succeed only by ensuring that we have the world's most competitive companies, productive workers, and open markets in which to sell our manufactured goods, services, and agricultural products.

I understand that NAFTA is, for many, a reminder of the economic hardships and insecurities that have grown over the past 20 years. Obviously, NAFTA did not cause those problems. In fact, it is part of the solution. We are world-class producers of everything from computers and automobiles to financial services and soybeans. We can compete anywhere, but we need to ensure that markets around the world are open to our products.

Mexico represents an enormous opportunity for our businesses, our workers, and our farmers. Exports there have already soared since 1986, when Mexico began to open its market and lower trade barriers. But the status quo in the trading relationship -- in which Mexico's trade barriers are far higher than ours -- is still unacceptable. NAFTA represents both free and fair trade. It changes the status quo by wiping away the Mexican barriers.

NAFTA provides us preferential access to the Mexican market: 90 million people, in one of the most dynamic growing economies in the world, who look to us for consumer goods, agricultural products and the infrastructure needed to build a modern economy. It is the gateway to the fast growing markets of Latin America, which are also opening, where we have a natural advantage over Japan and the European Community. Turning away from this opportunity would be a serious self-inflicted wound to our economy. It would cost us jobs--in the short and long term.

Many opponents of NAFTA say that they don't oppose a trade agreement with Mexico. They say they just oppose this NAFTA, and suggest that it be renegotiated. We should be under no illusions. This is a far-reaching and fair agreement. It was negotiated painstakingly over three years with input from a broad array of groups, and it is in the best interest of the United States, Mexico and Canada. It represents an unprecedented effort to include in a trade agreement provisions to enhance environmental protection and workers rights. It was negotiated by a Republican President, and endorsed and strengthened by a Democratic President. If it were defeated, no government of Mexico could return, or would return, to the negotiating table for years to come. Mexico would turn to others, like Japan and the European Community, for help in building a modern state--and American workers, farmers, and businesses would be the losers.

Of course, NAFTA is not a magic bullet for all our economic problems. But there is no question that NAFTA will benefit every region of our country. It is no accident that NAFTA has the support of more than two-thirds of the nation's governors and Members of Congress from every part of the nation. They understand the benefits that will flow to their states, regardless of region.

My main reason for supporting NAFTA is that it will be good for the competitive U.S. economy that we are trying to build. But there is another critical issue that I ask you to consider. After World War I, the United States chose the path of isolation and protectionism. That path led directly to the Depression, and helped set the world on the path to World War II. After World War II, we chose to engage with the world, through collective security and expanded trade. We helped our allies rebuild, ushered in a period of unprecedented global economic growth, and prevailed over communism.

Now we face another defining moment. The rejection of NAFTA would set back our relationship with Mexico, and Latin America beyond, for years to come. It would send a signal that the world's leading power has chosen the path of pessimism and protectionism. It would gravely undermine our ability to convince other countries to join us in completing the Uruguay Round, which is essential to expand trade and enhance global growth.

Rejecting NAFTA would, quite simply, put us on the wrong side of history. That is not our destiny. I ask the House of Representatives to join me in choosing the path of expanded trade, to make the decision to compete in the world, rather than to retreat behind our borders. We are a great country, and we cannot shrink from this test.

Sincerely,

Bill Clinton

The Honorable Thomas S. Foley
Speaker of the
House of Representatives
Washington, D.C. 20515

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Sincerely,

Bill Clinton

The Honorable Robert H. Michel
Republican Leader
House of Representatives
Washington, D.C. 20515

N afla

TALKING POINTS ON WHEAT
November 16, 1993

- We are seeking a fair deal for U.S. wheat growers and U.S. taxpayers.

    * We will enter a 60 day consultation with the Canadian government to resolve our concerns about the subsidization of wheat exported from Canada. (Transportation subsidies and a Canadian "Wheat Board" that controls prices.)

- We are obviously hopeful that consultation can resolve this issue. However, if our talks with the Canadian government are unsuccessful, the ITC (International Trade Commission) will investigate under normal procedures for Section 22. An investigation normally takes between 3 and 5 months.

    * This is a standard Section 22 concern which addresses foreign practices that interfere with domestic price support programs. The ITC will evaluate whether there is interference with the U.S. price support program. If no resolution is found, the Administration can put quotas in place as a last resort.

THE WHITE HOUSE

WASHINGTON

November 16, 1993

MEMORANDUM FOR DEE DEE MYERS

FROM: ELGIE HOLSTEIN (NEC)

SUBJECT: NAFTA AND TRUCKING

As you may know, 30-50 independent truck drivers are arriving in Washington this morning to express their displeasure to Congress about NAFTA and, to some extent, about high fuel prices.

Attached, for your information, is the American Trucking Association's position "fully and vigorously" supporting NAFTA.

NAFTA is in fact good for the American trucking industry. It immediately gives US truckers parity with their Mexican counterparts by permitting US trucks to do business in border areas of Mexico. Mexican truckers already have that right in border areas of the U.S. Over time, NAFTA phases out the geographic limitations on trucking in both countries. Finally, NAFTA will ensure the availability in Mexico of low-sulfur diesel fuel, which is now required in US trucks.

Regarding fuel prices, there was a price "spike" in October, following the implementation on October 1, 1993 of a new Clean Air Act requirement that trucks use only low-sulfur diesel fuel. The low-sulfur fuel requirement coincided with the introduction of the new 4.3 cents-per-gallon federal fuel tax. Flood-related delivery problems and refinery technical problems caused short-term diesel fuel supply shortages. Instead of rising by 3-5 cents as expected, prices shot up by as much as 40 cents per gallon in some areas of the Midwest, Southwest, and California. Those prices have been falling steadily since the last week of October and should return to normal levels.

1-B

NEWS

Office of Public Affairs • American Trucking Associations • 2200 Mill Road • Alexandria, VA 22314-4677 • (703) 838-1873 • Fax: (703) 549-1841

CONTACT: Mike Mason
(703) 838-7935

FOR IMMEDIATE RELEASE

U.S., MEXICO RESOLVE TRUCKING INDUSTRY'S NAFTA CONCERNS; 7.8-MILLION-STRONG INDUSTRY TO BACK LANDMARK TRADE PACT

WASHINGTON (Nov. 10) -- American Trucking Associations (ATA) President and CEO Thomas J. Donohue announced today that the U.S. and Mexican governments have resolved a series of transportation provisions of the North American Free Trade Agreement (NAFTA) and that the U.S. trucking industry now will give the pact its unqualified support.

"We have resolved issues that otherwise would have denied the U.S. trucking industry full participation in the expanded trade between the U.S. and Mexico," Donohue said. "We can now fully and vigorously support the passage of the NAFTA in Congress, through direct contact with lawmakers and through our extensive grass-roots network.

"We appreciate the support of the U.S. negotiators and the U.S. Department of Transportation, as well as the cooperative approach of the Mexican government," he said.

Donohue said the trucking industry's decision to support the NAFTA came shortly after the two governments announced that ATA's concerns about trailer length limits, clean fuel availability, and the U.S. trucking industry's role in setting future North American transportation policy had all been favorably resolved.

Mexico, which currently limits trailers to 48 feet, agreed to open the highway network within the 26-kilometer "frontier zone" to 53-foot trailers after Jan. 1, and will designate a system of additional highway access a year later.

(more)

Since many U.S. carriers operate 53-foot trailers in 47 of the contiguous 48 states, Donohue said, this change to NAFTA will remove a major trade barrier that otherwise would have restricted U.S. carriers' access to Mexican markets.

Mexico also agreed to ensure the availability and acceptability in that country of low-sulfur diesel fuel, which motor carriers are now required to use in the U.S., ensuring that U.S. trucks can get the same high-quality, environmentally friendly fuel in Mexico as in the U.S.

"In addition, the U.S. negotiators have committed to giving the U.S. trucking industry a seat on the NAFTA's consultative mechanism, which will ensure that future transportation concerns can be quickly and fairly resolved during the implementation of the NAFTA," Donohue said. ATA intends to use its role in this consultative mechanism to raise the issue of equitable investment opportunities for carriers from all countries. "We plan to be full participants in the consultative process," Donohue said.

"The trucking industry employs one in 12 private-sector workers in the United States, and we look forward to the economic advantages and new jobs that the NAFTA will bring our industry," Donohue said. "Our agreements will contribute to cleaner air, efficient movement of goods and reasonable investment opportunities on both sides of the border."

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Nafta

POST DEBATE NAFTA ENDORSEMENTS

	MEMBER	PARTY/STATE	DATE
1.	Jim Bacchus	D-FL	11/09
2.	Michael Castle	R-DE	11/10
3.	Norm Dicks	D-WA	11/10
4.	Peter Hoagland	D-NE	11/10
5.	Mike Kreidler	D-WA	11/10
6.	Marilyn Lloyd	D-TN	11/10
7.	Lucille Roybal-Allard	D-CA	11/10
8.	Gerry Studds	D-MA	11/10
9.	Tim Valentine	D-NC	11/10
10.	Duke Cunningham	R-CA	11/11
11.	Anna Eshoo	D-CA	11/11
12.	Robert Franks	R-NJ	11/11
13.	David Hobson	R-OH	11/11
14.	Pete Hoekstra	R-MI	11/11
15.	John Kasich	R-OH	11/11
16.	David Mann	D-OH	11/11
17.	Nick Smith	R-MI	11/11
18.	Xavier Becerra	D-CA	11/12
19.	Jim Cooper	D-TN	11/12
20.	Richard Durbin	D-IL	11/12
21.	William Emerson	R-MO	11/12
22.	Mel Hancock	R-MO	11/12
23.	Ernest Istook	R-OK	11/12
24.	Harry Johnston	D-FL	11/12
25.	Joe Knollenberg	R-MI	11/12
26.	Blanche Lambert	D-AR	11/12
27.	Rick Lehman	D-CA	11/12
28.	Nita Lowey	D-NY	11/12
29.	Buck McKeon	R-CA	11/12
30.	Ed Pastor	D-AZ	11/12
31.	Frank Wolf	R-VA	11/12
32.	Don Johnson	D-GA	11/12
33.	Harold Ford	D-TN	11/13
34.	Willliam Goodling	R-PA	11/13
35.	James Hayes	D-LA	11/13
36.	William Jefferson	D-LA	11/13

37.	Dave Camp	R-MI	11/14
38.	Maria Cantwell	D-WA	11/14
39.	Scott Klug	R-WI	11/14
40.	Karen Shepherd	D-UT	11/14
41.	John Tanner	D-TN	11/14
42.	Herbert Bateman	R-VA	11/15
43.	Larry Combest	R-TX	11/15
44.	Hamilton Fish	R-NY	11/15
45.	Martin Frost	D-TX	11/15
46.	Ed Markey	D-MA	11/15
47.	Romano Mazzoli	D-KY	11/15
48.	Martin Meehan	D-MA	11/15
49.	Norman Mineta	D-CA	11/15
50.	Marge Roukema	R-NJ	11/15
51.	Steven Schiff	R-NM	11/15
52.	Ike Skelton	D-MO	11/15
53.	Jamie Whitten	D-MS	11/15
54.	Dick Zimmer	R-NJ	11/15
55.	Earl Hutto	D-FL	11/15
56.	Tom Sawyer	D-OH	11/16
57.	Fred Upton	R-MI	11/16
58.	Joel Hefley	R-CO	11/16
59.	John Bryant	D-TX	11/16
60.	William Clinger	R-PA	11/16
61.	Paul Gillmor	R-OH	11/16
62.	Steve Buyer	R-IN	11/16
63.	Jan Meyers	R-KS	11/16
64.	Dan Miller	R-FL	11/16
65.	Bill Sarpalius	D-TX	11/16
66.	Sam Farr	D-CA	11/16
67.	Bill Brewster	D-OK	11/16
68.	Glen English	D-OK	11/16
69.	Dennis Hastert	R-IL	11/16
70.	Bart Gordon	D-TN	11/16
71.	Nathan Deal	D-GA	11/16
72.	Carlos Moorhead	R-CA	11/16
73.	Jay Kim	R-CA	11/16
74.	George Gekas	R-PA	11/16
75.	Tom Lewis	R-FL	11/16
76.	John Spratt	D-SC	11/16
77.	Floyd Flake	D-NY	11/16
78.	Porter Goss	R-FL	11/17

November 17, 1993
10:20 am.

78.	John Duncan	R-TN	11/16
79.	Porter Goss	R-FL	11/17
80.	Mel Reynolds	D-IL	11/17
81.	Buddy Darden	D-GA	11/17
82.	Owen Pickett	D-VA	11/17
83.	Clay Shaw	R-FL	11/17
84.	Jim McDermott	D-WA	11/17
85.	Bill McCollum	R-FL	11/17
86.	Jennifer Dunn	R-WA	11/17
87.	Bill Zeliff	R-NH	11/17
88.	Bob Livingston	R-LA	11/17
89.	Toby Roth	R-WI	11/17
90.	C.W. Young	R-FL	11/17
91.	Thomas Petri	R-WI	11/17

November 17, 1993: 3:29 pm

NAFTA

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release June 30, 1993

PRESS BRIEFING
BY
U.S. TRADE REPRESENTATIVE MICKEY KANTOR

The Briefing Room

5:20 P.M. EDT

AMBASSADOR KANTOR: We disagree with the opinion of the court today holding that the United States Trade Representative is required to prepare an environmental impact statement on the North American Free Trade Agreement, or NAFTA, under the National Environmental Policy Act.

The Solicitor General has reviewed the matter and has determined to expeditiously appeal the court's decision. The court's order does not affect the ongoing negotiations with Mexico and Canada on the supplemental agreements, and those negotiations will continue without interruption.

We believe that court's decision is not in the public interests for three reasons: One, it interferes with the President's ability to negotiate international agreements for the United States of America; two, it has serious implication in terms of the President's negotiating ability not only for the NAFTA, but also for the Uruguay Round and other presidential trade initiatives; and three, it would by creating the potential for protracted litigation and delay in implementing the NAFTA, in fact, prevent the environmental progress that is an important objective for this administration and can result from the NAFTA and the supplemental agreements we are now negotiating.

Needless to say, we care deeply about the environmental effects of any administration action. We have examined and will continue to examine the environmental effects of the NAFTA and the proposed supplemental agreements protecting the environment. The President remains committed to the NAFTA and intends to move forward to complete the negotiations and to submit the agreement for congressional approval.

I'd be happy to take questions.

Q As a practical matter, if this court ruling is not reversed, can you submit it to Congress or aren't you prevented from --

AMBASSADOR KANTOR: In fact, we can. The court order does not prevent us, the order itself, from submitting it to Congress. And so, yes, we can, although we fully expect that on appeal it will be reversed.

Q But will you go ahead while the appeal is in progress?

AMBASSADOR KANTOR: Yes, we will.

Q But could Congress vote on it before fast track expires with this court order hanging over its head?

MORE

AMBASSADOR KANTOR: Well, the NAFTA has been signed. Fast track -- there's no expiration problem with fast track. The NAFTA is under, and supplemental agreements, under a fast track procedure right now. So we can continue and will continue the negotiations. We intend to complete them and submit the package with the implementing legislation, with the supplemental agreements that were negotiating including the one on the environment, which is the strongest supplemental agreement in the history of trade agreements, and, of course, the NAFTA itself.

Q Doesn't the fast track legislation expire in December?

AMBASSADOR KANTOR: No, it doesn't. That is the --

Q Question?

AMBASSADOR KANTOR: Fast track legislation on the Uruguay Round, which we hope passes Senate about 6:30 p.m. this evening.

Q Would you support adding an amendment to the fast track legislation for the Uruguay Round that, in effect, overrides Judge Richey's decision?

AMBASSADOR KANTOR: We've asked for a clean fast track renewal without amendment.

Q But that would, of course, get you what you want in terms of NAFTA, would it not?

AMBASSADOR KANTOR: We asked for a clean fast track renewal without amendment.

Q What you're telling us that you're basically determined to ignore the court decision and that it will not alter your schedule?

AMBASSADOR KANTOR: It will not alter our schedule. You don't ignore court decisions. In this case, the Solicitor General has determined that he will appeal that decision expeditiously.

Q Is he going to ask for a stay of this court decision?

AMBASSADOR KANTOR: That's up to the Solicitor General. I would suggest you ask the Solicitor's Office.

Q Well, you feel you can proceed under -- you can proceed without violating the order, is that not your position?

AMBASSADOR KANTOR: Absolutely. Absolutely.

Q You don't need a stay, do you?

AMBASSADOR KANTOR: Not as I read the order. Now, I've quit practicing the law and I'm going to allow the Solicitor General to handle this case. I'm not going to do so.

Q What does the Solicitor General tell you expeditiously means? When do you expect to see any kind of appeal go forward and get a ruling?

AMBASSADOR KANTOR: Well, I would say that as soon as possible. And I would suggest you ask the Solicitor's Office when that will be perfected.

Q Couldn't this delay things for you, though, Mickey? Couldn't this delay it?

AMBASSADOR KANTOR: We don't believe so.

Q Why not?

AMBASSADOR KANTOR: We're continuing our discussions and negotiations. The fact is that it doesn't affect our commitment to negotiating both labor and environmental supplemental agreements, including language on surges and setting up commissions on labor and the environment and dealing with the cleanup of the border between Mexico and the United States, and insisting on enforcement of laws which protect the environment and labor. So we're continuing at that. This has no effect on our ability to continue that process.

Q But what about the legislative process, not your side agreements? What about its delaying effect on the legislative process?

AMBASSADOR KANTOR: It will not delay the legislative process. Once we have the supplemental agreements completed and the implementing legislation, and have prenegotiated, as you do under fast track with the Congress, then we'll submit it.

Q Is the environmental statement done, and was the judge aware of it?

AMBASSADOR KANTOR: No, we've not prepared any environmental impact statement under NEPA, the National Environmental Policy Act. We are working on supplemental agreements on the environment to take care of those environmental problems the President is committed to taking care of under the NAFTA. That is one of the strengths of the President's position, is that we have addressed the NAFTA. Let me indicate, this lawsuit was filed when there were no supplemental agreements. It was filed in, I think, September, 1992. It's the President, then-candidate Clinton, who insisted that we have supplemental agreements on the environment and labor in order to protect those very important interests.

Q If the appeals court agrees with Judge Richey after the expedition of this appeal, will you continue? What will you do then?

AMBASSADOR KANTOR: Well, first of all, that's up to the Solicitor General. Obviously, you can appeal from that decision as well. But that's up to the Solicitor, not up to me.

Q Can you clarify why --

Q Although you can submit this, do you think that this will have -- this ruling will have a political impact up on Capitol Hill and cause some Democrats who are wary of this agreement to say we must hold back until we get some more?

AMBASSADOR KANTOR: Well, I've just seen a statement by Senator Baucus, in fact, on television on the floor of the United States Senate where he said they want to protect the environment -- he's the Chair of the Environmental Committee of the Senate -- but trade agreements are different and they need to be negotiated in a different manner; therefore, there needs to be a balance which we agree with. And also Majority Leader Gephardt has put out a statement, of course, fully supporting the supplemental agreements we negotiated.

Q What's your legal argument here? Is it purely a constitutional argument or does is it that NEPA does not apply, or what?

MORE

AMBASSADOR KANTOR: As I said -- there are a number of arguments, constitutional and otherwise, but let me say again this interferes with the President's ability to negotiate international trade agreements. And it also interferes with our ability to get a strong environmental supplemental agreement under the NAFTA if we did not appeal it.

Q That's not a legal argument, the second.

AMBASSADOR KANTOR: Well, I am not the lawyer. As I said, I quit practicing law a few months ago. And the Solicitor General will handle that.

Q Some lawmakers have suggested that they may offer an amendment that states clearly that it's not the intention of Congress have environmental statements for this kind of international agreement. Would you support such an effort?

AMBASSADOR KANTOR: We would have to review that legislation and see how it affects our concern that trade agreements ought to have environmental factors attached to them in order to protect the environment. We have done that since we came into office; we're doing it in all the trade agreements that we are now discussing.

Thank you.

THE PRESS: Thank you.

END 5:30 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 1, 1993

PRESS BRIEFING
BY DEE DEE MYERS

The Briefing Room

2:42 P.M. EDT

MS. MYERS: A couple of quick announcements. First, the President is signing legislation today to abolish the wool and mohair subsidy. This will save $514 million between Fiscal '94 and Fiscal '98. It's a two-year phase-down, completely phases out the subsidies by December 31, 1995.

Q No picture?

MS. MYERS: We might have to do a White House photo release and video release of this momentous occasion. But we said we were going to eliminate the wool and mohair societies, and it has been -- $514 million over four years, '94 to '98.

Q What's taken so long to do it? (Laughter.)

Q Has he been sheepish about this? (Laughter.)

Q Oooh.

MS. MYERS: That was a line worthy of Knoller.

Okay, just to recap the NAFTA schedule for the rest of the week. As you know, the President spoke to the Chamber today. That was pulled down at approximately 1,000 sites around the country. Tomorrow at 2:00 p.m. in the East Room there will be an event where a group of distinguished Americans for NAFTA will talk about it. It will include former Secretaries of State, Nobel Prize-winning economists, other civic leaders including former President Carter.

On Wednesday, the President will probably do some NAFTA-related meetings in the morning, perhaps phone calls. He's done a number of phone calls today. Then the President and the First Lady will travel to the Pittsburgh area to talk about health care. This will be part of an ongoing campaign by both the President and the First Lady to promote health care. They will go to a library -- we'll have more details on that.

On Thursday, the President will travel to Lexington, Kentucky, for a NAFTA event. It will be to a plant. We haven't settled on the specific one yet. But he'll tour one of the high-tech facilities there and talk with workers about the benefits of NAFTA.

On Friday, he will probably make more phone calls and perhaps more meetings, and there's also a bipartisan congressional meeting on Friday, which will cover a number of topics, including NAFTA.

Then the radio address on Saturday is the only thing on for the weekend as of this moment.

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Q Why does the First Lady believe that the insurance industry has got to be pushed back, and it's got to loosen its grip on health care? She was very tough in her comments today.

MS. MYERS: Certainly -- the insurance industry has spent $6 million already on an ad campaign to try to change the focus of the debate. I think the First Lady wants to make clear, as does the President, that particularly the President will spend a lot of time talking about universality of health care, that everybody has to be covered. That is a principle on which there can be no equivocation. The President is committed to it.

The insurance industry, some insurers are against that, because it will take away their right to abolish coverage if people get sick; to eliminate people from coverage if they have a preexisting condition; or to raise rates indiscriminately. Those practices will be eliminated under the President's plan. And not surprisingly, there's some opposition to it. So the President and the First Lady and the rest of the administration's going to campaign very hard to make the point, the President's plan will cover everybody; it will provide a package of benefits that can never be taken away.

Q Is this partly driven by the fact that, at least the polling tells us, the insurance industry is very unpopular with the American people? I mean, do you need a bogeyman in order to build support for health care?

MS. MYERS: Well, I think it goes to the fundamental issues of the campaign. The President is unwilling to compromise on the issue of universal coverage. There are many in the insurance industry who are against that. I think the point is that the President and the First Lady and others are going to take on anybody. If anybody wants to have a fight about whether the coverage should be universal, that's a fight we're going to have. It is a point on which the President is not willing to compromise.

Q Is that a yes to the bogeyman? (Laughter.)

MS. MYERS: This is -- we want to have a very vigorous debate about these issues, and I think the President's going to make his position clear, and the First Lady will as well.

Q Has Mrs. Clinton been in touch with the insurance industry all along in the preparation? Have they worked together at all on this?

MS. MYERS: Sure. There have been a number of representatives from a variety of industries including the insurance industry as this plan has been prepared over the past eight months.

Q So they had some input into the plan?

MS. MYERS: Sure, of course. There were a number of public hearings. We've heard from them extensively. They simply disagree on a number of important issues. As you know, at the current -- the current circumstances, the insurance industry can drop somebody if they get sick. The insurance industry can say, or certain companies can say, that if you have a preexisting condition, you can't get health coverage. They can raise your rates indiscriminately in many places. Those are practices that will no longer be allowed. And those are things the President and the First Lady are very committed to.

Q The President has campaigned for some Democrats, stayed out of some races. Does he expect to have any kind of an effect tomorrow, any kind of coattails?

MS. MYERS: I think we have -- the President has campaigned for a couple of candidates who believe that that would be helpful. And we hope that it has been. Governor Florio, for example, and Mayor Dinkins, two people who the President supports and has made no secret of that support. We'll see what happens tomorrow.

Q Does he believe in general that presidents can have coattail effects in terms of getting out a vote as opposed to raising money?

MS. MYERS: Well, I think that generally elections like this turn on local issues. But in these cases where the local -- the candidates, the Governor and the Mayor in this case, thought it would be helpful, the President went and tried to be helpful; thinks that they've done a good job and should be reelected. So, hopefully, it helps. But there's no way to know.

Q Do you see any kind of referendum on the President in any of these elections on his performance?

MS. MYERS: No. But I do think in both cases there is a -- they share a common agenda. In New Jersey, Governor Florio's fought hard for things like welfare reform and gun control, changes in access to weapons. Those are things the President supports. He's also fought hard for fiscal responsibility -- the same thing is true in New York. Mayor Dinkins has fought for a number of things the President believes in. So to the extent that he can help them or at least try to help them be reelected, he is willing to do that. But there's no way to know.

Q In Virginia, Allen has made something of an issue of Mary Sue Terry's ties to the Clinton administration. Do you think that's going to have any kind of effect with voters?

MS. MYERS: That remains to be seen. But again, where the local organizations thought it would be helpful, the President tried to help.

Q The insurance industry says that at the time they ran their choice ad it was accurate. Why does the First Lady think it was a great lie?

MS. MYERS: It's never been accurate. Most companies -- or many companies now who offer health coverage to their employees only offer one option, if they offer coverage at all. Under the President's plan everybody would be covered through their employer and everybody would have, in the original plan, at least three options. That was certainly never guaranteed -- is not guaranteed under the existing system. So it's always been true that the President's plan expands choice for consumers.

Q The President said on September 22nd that the vast majority of Americans would get as good or better benefits for -- without paying more. And now it seems to turn out that 40 percent will pay more. Most of those will get better benefits, but they will actually pay more. There seems to have been some slippage in that --

MS. MYERS: No, no, it's not that simple. Sixty percent of people will pay the same or less for the same or better benefits. Twenty-five percent of people will pay more in insurance premiums for better coverage. Now, it's impossible to gauge for all those people whether their out-of-pocket expenses will actually go up. If you pay a low premium and have a $5,000 deductible, your out-of-pocket

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 30, 1993

PRESS BRIEFING
BY
U.S. TRADE REPRESENTATIVE AMBASSADOR MICKEY KANTOR

The Briefing Room

1:52 P.M. EST

MS. MYERS: Without further ado, Ambassador Kantor.

AMBASSADOR KANTOR: Good afternoon. I have no formal opening statement, but obviously this is all ON THE RECORD. I leave for Brussels this evening for two days of negotiations with the European Community, headed by their Trade Commissioner Sir Leon Brittan. We hope to make progress in the Uruguay Round in order to finish talks that began in 1986.

When we came into office, the President made it clear that he wanted the Uruguay Round finished by the end of the year. We asked for a fast track extension, the Congress gave it to us. It's the first trade bill, by the way, to ever pass in American history that was not amended.

In order to reinvigorate the round, the President called for a market access agreement by the G-7 meeting in Tokyo. That was successful. The Round was reinvigorated, and we reengaged at that point. Obviously, there have been some concerns along the way, including the French concerns, over the Blair House Agreement in Agriculture.

As you know, what the Round is attempting to do is very simple, is, lower barriers to trade around the world, which is much in the interest of the United States and our workers, because we have the most productive workers in the world today. To lower these barriers around the world, tariff and non-tariff, and to protect services as well as intellectual property means we've taken advantage of the most productive workers in the world with growing jobs here at home.

It's estimated that if and when the Round becomes a reality, that we'll grow about 2 million jobs, net, over the next 13 years, we'll increase, cumulative, the U.S. gross product over 10 years by $1 trillion. The world gross product, over that term, by the way, will increase $6 trillion, and of course, this will lead to global growth, which is also in our interest.

I'll be delighted to take questions.

Q Regarding some of the reports the Japanese are getting ready to open the rice market in time for the December 15th deadline, what do you think of those reports? Are they encouraging, or have you had the time to look at them?

AMBASSADOR KANTOR: I've seen the same reports. I'm not going to have any specific comment on those. But we are obviously interested in market access in agriculture throughout the world. It's important that we get what they call "current access," that means a current level -- we start at that base -- or a minimum max as in certain products that haven't been opened, as well as we begin to lower tariff barriers in agriculture, which is one of our biggest export products -- it's 10 percent of our exports to the world.

And so, as the reports coming out of Japan and other places, that's encouraging; but, of course, we have no agreement.

Q Ambassador Kantor, is Blair House open or closed at this point? And if it's open, is that going to jeopardize specific agreements that would be harmful to specific sectors of American agriculture -- namely soybeans, corn --

AMBASSADOR KANTOR: Yes. We will not renegotiate or reopen the Blair House Agreement itself. However, within the market access discussions, there's plenty of flexibility in order to be hopeful to everyone in order to open trade in agriculture, not only the European Community, but around the world. And I think within that, we have flexibility.

Q Does that change the subsidy numbers, for instance, in Blair House?

AMBASSADOR KANTOR: We've not discussed changing the subsidy numbers. It's the cut in subsidies, just to make sure, because I'm not over here much. The cut in subsidy numbers have not been discussed, and will not be discussed. That number will remain the same.

Q Ambassador Kantor, December 15th is the date for the expiration of fast track, there's only 15 days left. You're going to Europe. Is President Clinton also personally involved, speaking to European leaders?

AMBASSADOR KANTOR: President Clinton spoke to President Kohl yesterday. He's been fully engaged since the beginning of this administration in trade, whether it's been the market access agreement or the framework agreement with Japan, or obviously with the North American Free Trade Agreement and the side agreements, and of course, the congressional approval of the NAFTA, and he's much involved in these discussions as well.

Q Ambassador Kantor, as Blair House does not cover the whole of U.S.-European agricultural trade, and after French Prime Minister Balladur made a most conciliatory statement, do you see any room for a compromise if not directly in Blair House, but in global terms, on agriculture?

AMBASSADOR KANTOR: Prime Minister Balladur's statement, which I read in our local newspaper this morning, were very helpful. They show a flexibility, I think, that is welcome at this point. But let me make it clear, we want a good agreement, not just any agreement. We've had that position from the very first. A good Uruguay Round agreement means more jobs for American workers, growing capital base, lower costs for American consumers, and more productivity for our workers.

That is in the U.S. interest as well as in the interest of global growth. And so we want to make sure that what we come out with protects our trade laws, opens up market access in goods, that is, lowering trade barriers to goods around the world -- the so-called zero for zero categories, as we go to zero in many areas as we've already agreed on nine areas, that we open up agriculture, that we open up trade and services especially financial services, and that we, as I said before, protect our trade laws and, as they say, discipline subsidies, make sure that we both put a cap on as well as limit the number of subsidies for production marketing and other areas which distort trade around the world.

Q From a budget standpoint, assuming that GATT is successful, what will be the cost, a ballpark cost, of the lost tariffs, and how is the administration proposing to pay it to GATT?

AMBASSADOR KANTOR: Well, frankly, if you're talking about pay-go, that's one thing. If you're talking there'll be in fact, we'll get more revenues from it than it costs in lost tariffs by multiples. It is, in fact, an economic winner in terms of revenues into the federal treasury. In terms of the so-called static budget concept of pay-go system, it's estimated, I think, over 10 years -- $20 billion over 10 years in lowering tariffs. But, of course, that is -- a tariff is only a tax on consumers, it's really a tax break for consumers, we'll get more money than that into the federal treasury and we'll do what we did in the NAFTA under the pay-go system, we'll find a way to pay for it.

Q What are the possibilities? What are the options --

AMBASSADOR KANTOR: Well, you'll have to ask Mr. Panetta for that.

Q In terms of what's at stake for the American economy, could you compare the gains with the passage of NAFTA with those that still lie ahead with the -- of GATT? And explain the discrepancy between the intensive effort that the President devoted to the NAFTA fight and the relatively little attention he's given to this one?

AMBASSADOR KANTOR: Well, I wouldn't -- that's your characterization, not my characterization. We've been talking about the Uruguay Round since the -- January 21 was when I was sworn in. In fact, we talked about it during the transition period. The Uruguay Round had been going on seven years -- the President was ambitious and I think for good reason -- to get this done this year because we're running out of, really, political momentum in getting a Uruguay Round done. The President has paid a tremendous amount of attention to the Round. Obviously, the NAFTA was more prominent in the media because there was a fight in Congress over the NAFTA. That doesn't mean we haven't spent a tremendous amount of time on the Round itself.

Q What about the stake for the U.S. economy --

AMBASSADOR KANTOR: The stakes -- obviously, when you're talking about lowering barriers to trade in over 110 countries, it has enormous potential economic impact. It has psychological -- a positive psychological impact at first, even if it passes, with stagnant economies in Europe and Japan. It would be helpful even in that regard. It certainly will be helpful, as I indicated, adding about $6 trillion over 10 years to global growth.

The NAFTA, of course, begins in North America as it extends into the second fastest-growing region in the world, which is Latin America, where 400 million people live south of the Rio Grande. It will have more and more economic impact. But, obviously, immediately, the Uruguay Round will have more economic impact than NAFTA would have.

Q Ambassador Kantor, regarding Japanese rice markets, Secretary Espy was saying this morning that the reported Japanese proposal to increase the minimum market access from 3 percent to 5 percent to 4 percent to 8 percent over a six-year period would be the kind of meaningful market access as a meaningful quid pro quo for the difficulty of -- do you think that -- for the Japanese -- to be able to accept immediate clarification -- what is your comment to that?

AMBASSADOR KANTOR: My comment is, minimum access is critical in this area, whether it's opening up the Japanese rice market or the rice market in Korea, or opening up other agricultural markets around the world. That's why the minimum access concept comes into the Round itself. I don't want to comment on the specific figures, I'll let Secretary Espy comment on those.

Q Sir, is the United States prepared to make any concessions whatsoever at this point to get an agreement that you're satisfied with, given the suggestions in both Asia and Europe that some concessions from the United States will have to come forward?

AMBASSADOR KANTOR: We want a good agreement, not just any agreement, in that there is a lot of flexibility. This is the largest lowering of trade, tariff and non-tariff barriers, trade barriers in history. Within that, there is flexibility, I believe, on all sides. However, there's certain principles that we're going to adhere of -- once, there has to be an enhancement of the market access package in goods. Second, there has to be a market access opening in agriculture. Third, we cannot have the kind of restrictions on audio-visual that are currently contemplated in what is called the draft final act. That is a draft text that has been on the table for three or four years now. We need the completion of a government procurement package. We need active assistance in order to open up financial services, especially in Japan. We want to make sure that some basic changes are made with regard to the environment, and we want the protection of our trade laws.

Much of that has been accomplished, some hasn't. That's what's going to be required as an outline for a good agreement. However, let me make it clear that there's a lot of flexibility within that.

Q Mr. Kantor, President Clinton made several promises to Texas state members before the NAFTA vote related to provisions he would seek for textiles in GATT -- specifically a 15-year phaseout on MFA. Have you had any sort of indication from the European Community on how they're feeling about those promises, or whether they are receptive?

AMBASSADOR KANTOR: That proposal has been tabled. Not tabled in the sense of Congress, it's been put on the table.

Q Have you had any kind of reaction from the Europeans?

AMBASSADOR KANTOR: We did not discuss it at our meetings last week, we have just put it -- I assume it will be -- something that will be discussed in the next 48 or 72 hours.

Q That's one of the things you'll be talking about?

AMBASSADOR KANTOR: Oh, yes.

Q What are the administration's options should Canada not proclaim NAFTA --

AMBASSADOR KANTOR: We have full confidence that NAFTA will be proclaimed by Canada.

Q What are your options if they don't?

AMBASSADOR KANTOR: We have full confidence it'll be proclaimed by Canada.

Q What are you willing to say the likelihood is?

MORE

Q I've been observing the performance of the President very closely. I saw his success on NAFTA, his trip to Seattle with the Asian countries, now Central American countries have come here. Secretary Brown is in South Africa making a -- I wonder if you believe that that that -- in Africa will be extended to the whole continent, and that that will produce by selling our products and service to that continent here for the American people -- in that way the labor movement will be more -- with the President before NAFTA. How do you respond?

AMBASSADOR KANTOR: Anytime we can, on a fair basis, open up new markets and be able to sell our products on a nondiscriminatory basis given the fact we're the most competitive workers in the world today, the United States is put in a good position; we'll grow jobs. It also, frankly, is good for the countries you're dealing with.

Let me give you an example: We, of course, have a trade surplus with all of Latin America from south of the Rio Grande. In spite of that trade surplus, Latin America has grown many jobs over the last five years, their economies are growing at a very impressive rate. For instance, the Chilean economy last year grew by 10 percent; they had only four percent unemployment; they had a trade surplus and a budget surplus with the world, they had a trade surplus with the world. But they had the trade deficit with us, yet importing U.S. goods, building their industries, being able to compete both within South America and with other countries has been helpful to Latin America, as I think it would be helpful to Africa.

So, opening markets, exporting goods is not necessarily, just because you import goods doesn't mean it's good, not does it necessarily mean, sometimes we exports goods -- it is helpful. Exports generally create higher paying jobs, about 17 percent on the average, and create about 19,000 jobs for every billion dollars more in exports. So, it's in our interest when you have the kind of productive workers that we have.

Q Ambassador Kantor, if you're going to meet the December 15th deadline, what do you need to achieve in these next 48 hours? And do you agree with Prime Minister Balladur that you need to get a draft agreement to the national governments by the end of the week?

AMBASSADOR KANTOR: I'm not quite sure what Prime Minister Balladur meant by a draft agreement. We'd like to make good progress in the next 72 hours. We believe it's possible. What Sir Leon Brittan is able to put on the table for his GATT counsel meeting on Thursday night is a matter of, I guess, interpretation whether it's a draft, let's assume we make good progress -- a draft agreement or outlines of an agreement or whatever. I don't think we need to deal in semantics here. Obviously we want to make progress, it's part of a process of then going back to Geneva and multilateralizing our agreement with over 110 countries.

Q Leading up to the NAFTA week, two weeks out you all were willing to say that it would pass. What will you say the probability or possibility of this final agreement being reached is?

AMBASSADOR KANTOR: If we get to a good agreement, it'll be -- we'll be successful. But it has to be a good agreement in our terms.

Q What's the possibility of getting a good agreement?

AMBASSADOR KANTOR: I am not very good at odds making.

Q Are you optimistic, pessimistic?

MORE

AMBASSADOR KANTOR: I'm not pessimistic. (Laughter.)

Q Is there one particular area -- you mentioned a couple of sticking points between you and the EC. Is there one particular area that you're especially hopeful for, that you think that you and the EC are closest to resolving?

AMBASSADOR KANTOR: I wouldn't pick out any particular area. We made progress last week in a number of areas. Obviously agriculture has hung up the Round year after year after year. It's the one people have paid the most attention to in terms of a particular problem area. We hope we can make progress in that in order to open up other areas for discussion -- not only for discussion, but resolution -- that are obviously critical.

Q Prime Minister Balladur made no secret of his desire to try and overcome the recession in Europe by getting a GATT agreement. How much political momentum do you think the recessionary concerns are adding to the negotiating process? And could it be the force that gets this thing over the top?

AMBASSADOR KANTOR: It's very difficult to answer. You'd have to assume intent or motivation on the part of people without being able to look into their minds. Obviously, the Prime Minister Balladur has said, and so has President Kohl, that the European economy needs a jumpstart.

We've always believed that the Uruguay Round, the NAFTA, the market acts agreement in Tokyo, a framework agreement with Japan, all combined together are opening markets, expanding trade and giving a psychological boost to the world's economy if you put them all together. The Round is an important part of that. Can we still accomplish global growth without the Round? Yes, we can. Is it easier with a Round? Yes, much easier. And it would be helpful, I think, both in Europe and Japan and around the world for confidence -- for the sake of confidence. It will obviously be helpful economically in the short run as well as long run.

But I can't assess motivation on the part of the European Community. You'd have to ask them.

Q Do you think you can work out the outstanding issues with Canada about NAFTA through side letters, and will Mexico be asked to be part of that?

AMBASSADOR KANTOR: First of all, this is a tri-national agreement and Mexico is asked to be part of everything we do in this, as well as the United States, as well as Canada. Number two, we're fully confident that we can reach a reasonable agreement with Canada on the issues of subsidies and -- reviewing those issues that they have raised. And we look forward to their proclamation, or proclaiming the NAFTA.

Thank you.

Q How about the --

AMBASSADOR KANTOR: I think the form of it is really irrelevant at this point.

Q What about the energy aspects -- the Canadian concerns about energy?

AMBASSADOR KANTOR: We've made it very clear we're not going to renegotiate the energy provisions.

END 2:12 P.M. EST

Massachusetts Building Trades Council

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FIELD REPRESENTATIVE
JOSEPH A. DART

November 9, 1993

Dear Sir and Brother:

I am writing to express my concern over the issue of the North American Free Trade Agreement (NAFTA). This includes the hysteria from both opponents and proponents, and the potential for chaos, whether it passes or fails in Congress on November 17.

The issue of NAFTA has become emotional, and in many cases, misleading. Will the removal of tariffs and other barriers to free trade between the United States and Mexico create a situation as NAFTA opponent Ross Perot claims "the hemorrhage of American jobs across the border" ? Well, we know the U.S. companies can relocate across borders today whether in Mexico or Korea or wherever. That doesn't mean that we should be pleased with that fact; however, it is a reality. And, is free-trade good for America and its workers ?

We've heard and learned the term "new world economy" over the past several years, and it is fact. No longer can Nations afford to build invisible walls at its borders because there are no longer national borders to free-trade. I'm sure that most of us would want to return to the days of the high-volume industrial giants where American workers had only to compete with other American workers to produce products purchased by American consumers. We know that that world of work has changed and all we need to do is look closely at G.E., the Big Three, U.S. Steel and other powerful engines of the U.S. economy and see how they have adjusted to change within the U.S. economic capitalist system. Now, one can say he doesn't like the capitalistic system and that's his choice.

Workers in the U.S. have a right to be suspicious of trade and government, but it should be well placed and it's our responsibility as leaders to not add to their paranoia, but to prepare them educationally and emotionally for the challenges of tomorrow.

Let's face it, President Lane Kirkland of the AFL-CIO would probably not support NAFTA regardless of what side agreements were negotiated. We, in our business, understand political expediency on tough decisions. And, I believe that what he faced was a politically no-win situation. Personally, I wish he had taken a different approach.

Of course, there are statistics ad-nauseum on this debate, but there are some that stand out. In 1986, prior to Mexico loosening its trade barriers, the U.S. had a trade deficit of approximately $5 billion with Mexico. In 1992, the U.S. enjoyed a $5.4 billion surplus. Will NAFTA depress American wages ? Mexico provided only 7% of our imports and it already has largely free-trade with the U.S.

Newsweek recently reported that "NAFTA will not succeed or fail on a few years' trade statistics. Its real promise is to foster a more middle-class Mexico and reduce immigration to the United States."

The environment is a major concern of all Americans and Mexico's abuse is well documented but improving. NAFTA is supported by six major environmental organizations, including the National Wildlife Federation, the Environmental Defense and the National Audobon Society. They believe that the U.S. will have better control over the Mexican environmental habits with NAFTA rather than without.

I must say that the political arm-twisting (something that we in the building trades excel at) has gone to the extreme. Particularly, when long-time friends such as Joe Kennedy is attacked by a Boston Central Labor Council official as having "caved in to big business and investment bankers" That is absolutely outrageous and is no way to treat a friend who time and time again has supported issues of workers and those who are unable to fend for themselves. We can never become a one issue organization and ignore the fact that from time to time a friend might disagree with one of our issues, particularly, in the Congressman Joe Kennedy's case. I believe that what the Congressman did was out of a belief he was acting in the best interest of the country and its workers. If a person's history is symbolic of his character, we know that Joe Kennedy doesn't cave in to any one.

I'm worried that we are allowing some to get so caught-up in NAFTA, and maybe for the wrong reasons, that they would applaud a demagogue like Ross Perot, while at the same time, create an environment, whereby, a Democratic President - one we worked so hard to elect-will be handcuffed in the International arena. My greatest fear is that we could contribute to the demise of his

Administration as well. And, then what ? I'm convinced that if NAFTA is defeated that it will be a pyrric victory at best.

President Clinton has recognized that we must prepare for tomorrow, and he should be admired for his leadership and courage. This is the first Democratic Administration in 12 years, and the first Administration in many years, to tackle the tough issues that were left by the Republicans. President Clinton is trying to improve on the status quo; his opponents, perhaps without knowing it, are defending the status quo. It is up to us, I believe, to support him, as we did in his election, and to insure that the President is able to make change the friend of the worker -- not the enemy. Let that be his legacy.

The easy road for the President would have been to abandon NAFTA and retreat from the world. But, the President knew that Americans aren't quitters; they are winners. He knew that when the playing field is level, American workers can compete and win with any nation in the world. NAFTA's opponents don't think that is true, but I believe they are wrong. I have confidence in the American worker. President Clinton has bet that American workers are the best and most productive workers in the world. The smart money's on him. That's why on this issue, my money is with the President.

These opinions are mine and I would be less than honest if I did not share them with you. On a recent cable T.V. show in my town of Whitman, I expressed my views on a program that was devoted in part to NAFTA. I stated, however, that I was speaking personally and not in behalf of the organization I represent or the labor community. Perhaps, I could have taken a walk and some might say that my position is heretical, but those who know me better, understand that I was never one to duck a tough issue.

Fraternally yours,

Leo J. Purcell

Leo J. Purcell
President

LJP/jd

Nafta

THE WHITE HOUSE

Office of the Press Secretary

BACKGROUND BRIEFING
BY
SENIOR ADMINISTRATION OFFICIALS

November 16, 1993

The Briefing Room

3:15 P.M. EST

MS. MYERS: We're having back-to-back briefings. The first one will be Howard Pastor and Deputy U.S. Trade Rep. Rufus Yerxa on the current status of the NAFTA vote. Then we'll take about a two-minute break, and we'll do another BACKGROUND briefing on APEC with Sandy Berger and Bo Cutter. So without further adieu, here's Howard Pastor.

SENIOR ADMINISTRATION OFFICIAL: The President has been meeting during the day with members from both sides of the aisle. He's been made a number of phone calls, and we have today, I think, an additional 15 public announcements of support for NAFTA from the House. And I think we're getting very close to the necessary numbers to win.

Let me try and answer any questions.

Q How close?

SENIOR ADMINISTRATION OFFICIAL: Single digits close.

Q Yesterday or Sunday, I guess it was one of your -- Gore or one of your people on the show said that you were 12 away. Today you've got 15. Is this like Clinton math? Where are you? I mean, if you were 12 away on Sunday, you've got 15 today --

SENIOR ADMINISTRATION OFFICIAL: No, obviously we had folks who we had as leaners who we expected to get; and the public announcements which I identified today included a number of people who we expected to make that announcement. It also includes some people, I think, that might not have been expected. And I think there have been several in the last few days that -- and will be before this day is out -- that are reversals, frankly.

Q The Florida delegation has indicated that they're not yet swayed by these deals you've cut over vegetables and citrus. Do you expect that most of the single digits are going to be coming from the Florida delegation?

SENIOR ADMINISTRATION OFFICIAL: No, I think we already have a dozen votes in Florida, more than half the delegation right now.

Q When people are looking the President in the eye and saying, "You know, Mr. President, I'd like to be with you, but the truth is that most of my support is labor, and if I vote for NAFTA I'm not going to be back in Congress after the next election." What does he say to that?

MORE

SENIOR ADMINISTRATION OFFICIAL: Well, they don't say that. Those aren't the words that are used. I think that since the Vice President's debate with Ross Perot, the number of members of Congress who have said, "this doesn't work for me politically at home" has diminished enormously. I think that the clear dynamic has moved our way. The poll data supports what we sense from the members, which is that the support for NAFTA has moved significantly.

I spoke yesterday with two Democratic members of the House, both of whom endorsed NAFTA over the weekend, who said that they had met with their labor leaders at home and they felt that they understood that it was a difficult vote, and they didn't feel as though they were losing support.

Q Could you give us a ballpark figure for the dollar value of promises that have been made to various congressmen to get their votes?

SENIOR ADMINISTRATION OFFICIAL: There's been no increase in federal spending for anything. I mean, that isn't what happens.

Q Well, could you give us an estimate for the increase of cost to the supermarket for the deals on tomatoes -- citrus, sugar, wheat and so on?

SENIOR ADMINISTRATION OFFICIAL: All of the trade-related letters of understanding simply define and ensure enforcement of the agreement. Nothing has been done to change the agreement. Those items that required conversations with our trading partners have been had. But I think the important thing to bear in mind is that we have not opened up NAFTA to get this done, and the principles are absolutely intact.

Q What have you been promising to secure votes outside of NAFTA?

SENIOR ADMINISTRATION OFFICIAL: I think a lot of what's been happening has been clarifying, very frankly. A lot of people have come in and said, what does it mean for my district? I have this kind of industry in my district and it might not be one of the beneficiaries of NAFTA. I might lose employment. And people want to talk about whether or not there's going to be adequate retraining programs, adequate relief for people who might be affected. And there is such a program inside the implementing legislation.

They're asking questions, and I think the President addressed it this morning, which are logical questions based on the different constituencies. And there are good answers for most of those questions.

Q There have been a number of -- several senior members -- who had indicated that they would vote for you if you absolutely needed them, but they would prefer not to. As you've gotten some people who you previously thought were leaning in the other direction, have you begun to release any of those?

SENIOR ADMINISTRATION OFFICIAL: No, no. We will not do any releasing of votes. It is not possible in a hotly contested vote like this in which you work hard on both sides of the aisle to release people; and there will be no --

Q Are you going for a margin now bigger than one or two that it looked like you were going for before?

SENIOR ADMINISTRATION OFFICIAL: I'm going for 218. I started in January. It was always 218. We've hit 219 once in the spring, but 218 is normally what we go for. (Laughter.)

Q One of the wire services now has a count that for the first time shows the proponents of NAFTA running ahead of the opponents. Do you think that is possible? And do you think that sows the seeds of complacency on your part? (Laughter.)

SENIOR ADMINISTRATION OFFICIAL: No, no complacency. (Laughter.) I'm not certain of a lot of things, but one thing I'm certain of, there's no complacency.

Q But could that be possible --

SENIOR ADMINISTRATION OFFICIAL: I think we're very close right now. We started out very far behind. I think a month ago most people doubted we'd be even the day before the vote. We've been narrowing the gap, and I think today we're probably just about even.

Q Congressman Gephardt has said that the NAFTA was something that was foisted on the President by President Bush, that he was forced to accept it and follow through with this deal that the previous President cut. Is that the way the President feels about it?

SENIOR ADMINISTRATION OFFICIAL: No, absolutely not. The President, back in October of '92, spent many hours making his initial decision on whether or not to support NAFTA. I wasn't present at the time, but I was present this year when at various points he readdressed the issue when he sent Ambassador Kantor to work through the side agreements that had to meet the standards which were set up in October of '92. And the President does not, has not, and I don't believe thought of it that way.

Q Knowing what you do about organized labor, how serious do you think they are when they say they're going to work to defeat people who voted for NAFTA, and how hard do you think they will work to defeat people?

SENIOR ADMINISTRATION OFFICIAL: I'm not going to characterize what will happen next year. I think that the history is that organized labor, in my experience, tend to support those members who, as a matter of general practice are pro-labor Democrats and Republicans both.

Q On two -- how many letters of understanding on trade have there been?

SENIOR ADMINISTRATION OFFICIAL: We've exchanged two letters with the Mexican government, and this was submitted to the Congress at the time we submitted the fast track package -- that is, at the time when the legislation was introduced. There's been an exchange of letters on sugar and an exchange of letters on citrus. Both of those were talked about by the administration really from day one. Ambassador Kantor started discussing those with Congress in the earliest hearings on NAFTA in January.

Q I meant exchange of letters with members of the Congress. For example, one of the Florida delegation said today that he was anticipating a letter from the administration on tomatoes. Another one said he was anticipating a letter from the administration on some --

SENIOR ADMINISTRATION OFFICIAL: Yes, but as my colleague pointed out, I think what those letters basically contain are clarifications from the administration of what's in the --

Q I understand. I'm just asking how many of those letters there were?

MORE

SENIOR ADMINISTRATION OFFICIAL: How many letters total to members of Congress on those issues?

Q On trade issues.

SENIOR ADMINISTRATION OFFICIAL: Well, Individual letters or -- because some letters went to many members. You obviously mean how many different subject letters.

Q That'll do, yes.

SENIOR ADMINISTRATION OFFICIAL: A lot of letters. I mean -- (laughter). I haven't counted --

Q -- bigger than a bread box?

SENIOR ADMINISTRATION OFFICIAL: I haven't counted them.

Q More than 218?

Q Well, I mean, is it more than 20, more than 60, around a dozen? I mean, there must be some ballpark.

SENIOR ADMINISTRATION OFFICIAL: Members of Congress have been writing us about every single issue in the agreement, and we've been sending letters clarifying the agreement, the implementing legislation -- there probably have been dozens of letters sent. But those are letters to clarify, these are not changes in the agreement or in the implementing bill.

SENIOR ADMINISTRATION OFFICIAL: Some of those letters have gone to opponents of NAFTA who have sought clarification of what sections mean. A letter went to Congressman Waxman today in response to the letter he sent the President Friday in opposition to NAFTA in great detail, addressing the issues that Congressman Waxman raised in his letter on Friday. So, I think the answer is, there are many, many letters on the Hill explaining and answering questions. I would say over the last month -- in the scores of letters, really, clarifying --

Q -- letter to -- do you hope to change Waxman's vote, or was this --

SENIOR ADMINISTRATION OFFICIAL: No, the letter was sent in good faith in response to his letter. I don't think it's likely to change his vote.

Q Have you released the letter to the Republicans yet that the White House said --

MS. MYERS: We're in the process.

Q -- the things that you had to do to get this passed, including the commitment to Republicans that you won't let NAFTA used against them, do you think this could complicate your lives next year in the midterm elections? For instance, do you think the President would be precluded from accusing Republicans of gridlock since they've helped him get this important measure through?

SENIOR ADMINISTRATION OFFICIAL: I think that the election will be fought out on a whole bunch of issues. Gridlock has been an issue more often against a filibuster in the Senate than the House, which has permitted to follow its course through a rules committee. So I don't think the gridlock issue is raised here. Fast track has special consideration under the Senate rules and will not be subject to a filibuster.

MORE

I don't think that the understandings and the cooperation we've had on a bipartisan basis on NAFTA will prevent the President from being an energetic campaigner for Democrats next year.

Q How many democratic votes do you think you're going to get?

SENIOR ADMINISTRATION OFFICIAL: There were 91 Democratic votes in opposition to the disapproval of fast track in '91, and I think we'll do better than that.

Q Do you have 51 hard votes in the Senate?

SENIOR ADMINISTRATION OFFICIAL: I haven't counted the Senate. (Laughter.) The answer is hat I'm confident there are the votes in the Senate, yes.

Q -- you say you're single digits away from 218 at this point. That's with how many more meetings --

SENIOR ADMINISTRATION OFFICIAL: Well, some of those meetings, frankly, are with people whose position is known, so the meetings wouldn't be a way of measuring against it. There are at least two people coming in this afternoon whose votes we know of. And so not everybody who is coming in here is necessarily uncommitted when they come in here.

Q And tomorrow?

SENIOR ADMINISTRATION OFFICIAL: We haven't scheduled any meetings for tomorrow on NAFTA.

Q Assuming it passes the House and the Senate, then what? Do you present a job retraining bill? Does it go into a --

SENIOR ADMINISTRATION OFFICIAL: There are two different issues. There is within the NAFTA legislation a relief provision to support people whose jobs are affected by the NAFTA if, in fact, any job loss results from NAFTA. Separately, the President has said repeatedly, and Secretary Reich has addressed the specifics of a major administration initiative, which is a dislocated workers bill, which will do with redoing unemployment insurance, worker training programs, and trying to catch up with the changing economy. And that will be the long-term administration initiative for addressing the kinds of uncertainty that people worry about.

The opposition to NAFTA clearly breeds from a kind of uncertainty about the future of the economy as much as it does from the specifics of NAFTA. That legislation will address that kind of economic insecurity. And the President is very committed to that. He talks about -- how many times have you heard him talk about people changing jobs eight times in their career -- okay -- that kind of uncertainty and insecurity is going to be addressed by this legislation.

Q Can I follow up on that? Of the jobs that may be lost within the next, say, two years, how will you determine what percentage came from NAFTA? And what are you going to do with the other percentage that were lost not because of NAFTA?

SENIOR ADMINISTRATION OFFICIAL: Well, the goal is to pass the legislation I just talked about early in 1994, and that will supersede even --

Q What percentage --

SENIOR ADMINISTRATION OFFICIAL: I don't know the answer to that one.

MORE

Q A small percentage of the jobs to be lost would be lost to NAFTA --

SENIOR ADMINISTRATION OFFICIAL: Oh, yes. We don't anticipate any net job loss to NAFTA. We think NAFTA is a job creator.

Q Not net loss -- of the actual jobs --

SENIOR ADMINISTRATION OFFICIAL: There's a certification requirement under the worker component piece that's in NAFTA which would test whether or not the job loss was a result of it.

Q What percentage of the jobs to be lost --

SENIOR ADMINISTRATION OFFICIAL: Minuscule. Absolutely minuscule percentage. And as he said, more jobs created than lost.

THE PRESS: Thank you.

END 3:30 P.M. EST

The White House

Office of Media Affairs

FOR IMMEDIATE RELEASE NOVEMBER 12, 1993

Statement by the President

I want to commend Representative Harry Johnston for announcing his support of the North American Free Trade Agreement (NAFTA) today.

Rep. Johnston's courageous support of NAFTA is a vote of confidence in Florida's workers and a vote to increase jobs and investment in America. Rep. Johnston's ability to make a tough, independent decision based on the merits of this agreement is truly heartening.

NAFTA is a fundamental building block in putting together a bi-partisan economic plan that creates jobs and encourages investment in America. As we prepare for the 21st century, there is simply no way we can boost economic growth without increasing our exports.

NAFTA is winning increasing support from lawmakers of both parties who understand this agreement is about much more than trade with Mexico. It is about what kind of people we are, and whether we have the confidence to compete for new markets or retreat from international competition. Rep. Johnston understands that the decision about NAFTA is all about exports and new job opportunities for Americans. If you're for exports, you're for NAFTA.

I congratulate Rep. Johnston for his courageous and forward-looking support of NAFTA.

# # #

NAFTA

THE WALL STREET JOURNAL THURSDAY, NOVEMBER 11, 1993

15

The Five Big Political Myths About Nafta

By ALBERT R. HUNT

A senior House Democrat dismisses the consequences of a House rejection of the North American Free Trade Agreement next Wednesday: "In a few weeks it'll be forgotten." A Democratic senator, who opposes Nafta for political reasons and isn't particularly proud of it, sees a silver lining: "This will make health care easier."

These lawmakers should talk to Harry McPherson, a former top aide to President Johnson and a genuine Washington sage. A Nafta defeat, he fears, would be devastating for the country, the president and the Democratic Party. "The only question is how much of a calamity would it be?"

He's worried not so much about the particulars of this treaty, but about the signals it would send: "Internationally it would show that Clinton can't control his own party and make him look weak." Politically, he remembers when Lyndon Johnson taught him how once a president suffers a big setback, the political sharks smell blood and everything else is harder.

Politics & People

By Albert R. Hunt

Yet if Nafta loses, a distinct possibility, it'll be the House Democrats who do it to themselves, largely due not only to substantive misinformation but to political myths that have overshadowed realities. The five big political myths are:

• *Nafta isn't a presidential priority.* Some Democrats still insist that Nafta isn't important for the Clinton presidency. He did get off to a late start. But in the past two months, he has given 16 speeches on Nafta and personally lobbied more than 100 House members, including seven private meals with undecided lawmakers. He knew he upped the stakes but believed a defeat would be so disastrous that he had no alternative. (Nafta would be dead on arrival if George Bush were president; imagine sending Dan Quayle to take on Ross Perot Tuesday night.)

A week from today, Bill Clinton heads to Seattle to meet leaders of the major Asian countries. The participants control 50% of the world's economy and, as the president acknowledged at yesterday's press conference, his ability to conduct economic negotiations would be "limited significantly" if he arrives the day after becoming the first U.S. president to lose a trade treaty. Mr. McPherson fears an even grimmer scenario: "Defeating Nafta increases the risks that GATT goes down and potentially sets the stage for a trade war of the kind we had in the '20s and '30s. This is extremely serious." Domestically, there also would be major consequences. "When a president gives everything he has and loses, it certainly hurts him on other issues," says the veteran president-watcher.

• *A new Nafta would be better.* In the Tuesday night debate with Vice President Al Gore, Ross Perot sounded the rallying cry of "Not this Nafta," but go back and negotiate a "good" treaty.

That ignores that there's a new Canadian government that will probably swallow this agreement but would be a huge hurdle to drafting a new treaty. Even more troubling, it's nonsense to think that just after being humiliated by the Yankee colossus the Mexicans would become more accommodating. Asked about a "new" Nafta, Jaime Serra Puche, the astute Mexican trade minister, says sure, "in about 50 years." That's an exaggeration, but it wouldn't happen during this Congress or this Clinton administration.

• *An anti vote buys protection from labor.* House Democrats, especially the 66 freshmen, fear that labor will retaliate if they vote for Nafta. This is a shrewd bluff on labor's part, but only inexperienced congressmen are falling for it. Next year's calendar includes a minimum wage increase, a striker replacement bill and health insurance, all issues as important to labor as Nafta. Unions certainly aren't going to write off essential votes on those issues or desert dozens of Democrats next fall so they can be replaced by conservative Republicans. Veteran lawmakers understand this; six-term Rep. Howard Berman of California, a Nafta supporter, had a Los Angeles fund-raiser two weeks ago and got almost $50,000 from labor.

A number of House Democrats honestly share labor's fears over this agreement and a smaller group reflects the private candor of one member who notes, "I'm with the Teamsters on this and I stay bought." For most of the rest, however, the worries are misplaced. Some unions may try to mount a symbolic primary challenge against one or two pro-Nafta Democrats, but labor is much too smart to force a litmus test on an issue in which the Democratic House speaker and Senate majority leader are on the wrong side.

Harry McPherson

• *Protection will be bought from Perot.* Fence-sitters worry about Ross Perot's threat to attack pro-Nafta lawmakers next year. But he'll also go after members who vote against a balanced budget amendment or any excuse he can find. "This is only the fight of the week for Perot," says Ed Rollins, the GOP strategist who briefly ran the Texas billionaire's campaign last year. "You're never OK with Perot; if it's in his interest, he'll shoot you between the eyes in a minute."

Nafta is merely a convenient vehicle for Mr. Perot to rally disaffected citizens, a political ego trip, which judging from his debate performance Tuesday may be wearing thin. But any Democrat, or Republican for that matter, who hopes to buy peace with the Texas billionaire is rolling the dice. Besides, he or she too might become a target of those pro-Nafta, Mafia-sponsored hit men from Cuba!

• *The politics are a clear-cut loser.* Nafta's opponents are far more intense than its proponents. That's why the Clinton administration is worried that its recent gains could be offset when members go home for a long Veterans Day recess this weekend.

But nervous Democrats may be so focused on the micropolitics that they are ignoring the larger political calculus. In last month's Wall Street Journal/NBC News survey, voters by a 2-to-1 margin said it's better if Congress and the presidency are controlled by different political parties. And by 72% to 22%, voters today believe that gridlock in Washington is as bad as ever, despite the fact that Democrats control both branches.

A Nafta defeat would only add to this anxiety, and the most appetizing target for frustrated voters would be incumbent Democrats. "A weakened president is very bad for House Democrats in terms of their political self-interest," argues John Sasso, a leading Democratic political consultant.

Conversely, Mr. McPherson notes, a Clinton victory "would be terrific for the country and for him. He would have shown that, despite his other problems, he really is a chief of state." In that vein, these two-dozen wavering House Democrats, who together could tip the balance in favor of Nafta, should remember the words of another young Democratic president three decades ago that a rising tide lifts all boats. That's true in politics as well as economics.

05-04-1993 10:15

NAFTA.

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

May 4, 1993

MEMORANDUM TO AMBASSADOR MICHAEL KANTOR

THRU: Tom Nides
Debbie Shon

FROM: David Marchick

RE: Phone Calls for Elected Officials for NAFTA

We have blocked out time for you to officially invite these leaders to become national co-chairs of "Elected Officials for NAFTA." We have organized this group to spread a pro-NAFTA message in their states.

I have been in contact with either the principal or the staff. Each leader supports NAFTA, is expecting your call, and will accept your invitation.

Attached is a call sheet with brief comments on those whom you might not know.

TALKING POINTS

- We are moving forward on the side agreements and hope to finish them by mid-Summer. The President and the administration are committed to passing the NAFTA with the side agreements. **(NOTE: Both Gov. Richards and Romer have expressed concern about being out front on this issue after Dir. Panetta's comments.)**

- I hope you will agree to become a National Co-Chair of "Elected Officials for NAFTA." This select group of elected leaders at all levels have been identified as the best advocates for the NAFTA.

- We would like to issue a press release next Tuesday and hope that you can do some local radio press. David Marchick will work with your press person to work out the details.

- Following that, we plan to have a major endorsement letter from elected officials. We will organize this letter but need your help.

C:\NAFTA\MKTLK.PTS May 4, 1993

- This group will not be a huge drain on your time. We hope that you will be available to speak in your state, draft or sign an op-ed, and make one trip to Washington in late June for a briefing, meeting at the White House, and visit to the hill.

- My staff will furnish you with talking points and briefing papers, and will answer any questions you have.

- We have an uphill battle for the NAFTA. I very much need your help.

ELECTED OFFICIALS FOR NAFTA

CO-CHAIRS

(* Means IGPAC Member)

Governors

Co-Chairs

Ann Richards (D)*	Texas
Tommy Thompson (R)*	Wisconsin
Roy Romer (D)	Colorado
William Weld (R)	Massachusetts

Mayors

Co-Chairs (6)

Jan Lafferty Jones (D)	Las Vegas
Glenda Hood (R)	Orlando
Bill Althaus (R)	York
Greg Lashutka (R)	Columbus
Norman Rice (D)	Seattle (Invited)
Kurt Schmoke (D)	Baltimore (Invited)

State Legislators/State Officials

Co-Chairs (3)

Lt. Gov. Maxine Moul (D)	Nebraska
Sen. Paul Burke (R)	Kansas
Sen. John Maitland (R)	Illinois
Democratic Rep. TBA	

Commissioners/City Council Members

Co-Chairs (4)

Mike Gillespie (D)*	Huntsville, Alabama
Commissioner Stu Rhodes (R)	Indianpolis, IN
Sup. Gloria Molina (D)	Los Angeles, California
Comm. Arthur Teele (R)*	Metro-Dade County

March 15, 1993

DEE DEE MYERS - Talking Points On NAFTA - Updated Points To Follow Later Today
Dianne Workman, Deputy USTR for Public Affairs
395-3350

NAFTA TALKING POINTS

FILE: NAFTA

[Intro as appropriate]

DESCRIPTION OF AGREEMENT

- In terms of coverage and scope, the NAFTA is unprecedented.
  - Tariffs and import barriers on all U.S. industrial exports to Mexico will be eliminated within 10 years.
  - All agricultural tariffs and NTBs will be eliminated, most within 10 years.
  - The NAFTA opens a wide range of services industries, including construction, engineering, accounting, enhanced telecommunications, banking, and insurance.
  - It provides a higher standard of protection for intellectual property rights than has ever been achieved in any other trade agreement.
  - It establishes strong protections for investors.
  - Finally, it creates an effective and timely dispute settlement mechanism.

BENEFITS OF THE NAFTA AND TRADE WITH MEXICO

- In 1986, Mexico began a process of opening its market and deregulating its economy. While the economic reforms were designed to spur growth in Mexico, the United States has also benefitted substantially.
  - U.S. exports have grown from just over $12 billion in 1986 to over $40 billion last year, when we ran a trade surplus of about $6 billion.
  - Mexico is now our fastest growing major export market, our second-largest market for manufactured goods, and our third-largest market for agricultural products.
- By tearing down Mexico's remaining barriers, NAFTA will increase U.S. exports and jobs.
  - Eliminating Mexico's tariffs -- which average two-and-a-half times the U.S. level -- will make U.S. products more competitive.
  - U.S. motor vehicles and parts will enjoy greater access to Mexico, the fastest growing major auto market in the world.
  - Strict rules of origin ensure that the NAFTA's benefits

accrue to North American producers.

-- The agreement creates greater market access in energy and petrochemicals.

-- NAFTA opens Mexico's $6 billion market for telecommunications equipment and services.

-- Newly opened markets for our agricultural goods will increase farm exports.

-- For our import-sensitive sectors, such as household glassware or frozen concentrated orange juice, the NAFTA contains tariff phase-outs of up to 15 years to provide for a gradual transition.

-- For the first time in 50 years, Mexico's closed financial services markets will be opened to U.S. banks and securities firms.

-- U.S. firms that rely heavily on protection for their patents, copyrights, and trademarks will realize substantial gains under NAFTA.

-- NAFTA's better investment rules ensure that U.S. investors in Mexico are accorded equal treatment, and will not face domestic-content rules and export requirements, permitting increased sourcing of U.S. inputs.

-- Finally, NAFTA contains rapid and effective dispute settlement procedures to help ensure that all parties fulfill the commitments in the agreement.

o These are some of the particular reasons why the NAFTA is important. But the NAFTA's total benefits exceed the sum of its benefits for individual sectors.

-- NAFTA will make the United States more competitive in its own market and around the world.

* Canada is the largest U.S. trading partner; Mexico is third largest. NAFTA puts us at the heart of the biggest, richest market -- 360 million producers and consumers and an annual output of well over $6 trillion.

-- In terms of production, output and employment, all credible economic studies show that the NAFTA will be positive for the United States.

-- NAFTA will create more and better U.S. jobs. Workers in export-related jobs on average earn 17 percent more per hour than the average American wage.

-- NAFTA levels the North American playing field, which now is tilted in Mexico's favor.

-- NAFTA helps ensure that the process of economic reform continues in Mexico, a process that has led to a surge in U.S. business in Mexico.

-- NAFTA shows it is both possible and profitable for developed and developing countries to work together in partnership and that shared rights and obligations can work to the benefit of all parties.

  * The agreement should serve as a model for future trade agreements, both of a bilateral or plurilateral nature and for multilateral trade negotiations.

-- Finally, while NAFTA is an economic agreement negotiated for its merits, its impact could extend well beyond economic gains.

  * A growing, more prosperous and stable Mexico, able to provide jobs for the over 1 million people who enter the job market each year, is as much in our interest as in Mexico's.

SUPPLEMENTAL AGREEMENT AND NEXT STEPS

o President Clinton supports the NAFTA as part of his overall plan for economic revitalization, provided that we can successfully negotiate supplemental agreements in the areas of the environment, worker safety and standards, and import surges.

  -- We will not seek to re-open the basic NAFTA agreement negotiated by the Bush Administration and signed last December by former President Bush.

o When Amb. Kantor and Mexico's Commerce Secretary Jaime Serra met last month, they agreed that talks on the side agreements will begin the week of March 15 here in Washington.

o We would like to conclude the negotiations on the side agreements swiftly so that our implementing legislation can go forward, but we will not sacrifice substance for speed.

  -- We will need substantial, enforceable agreements in order to meet the President's commitments, to address Congressional concerns, and to mitigate domestic opposition.

o Beyond the side agreements, we also will be looking at issues involving purely domestic actions, such as a worker adjustment assistance and retraining program and a program for cleaning up the environment along the U.S.-Mexican border.

- Assuming we can successfully conclude the negotiations on the side agreements, we will submit the NAFTA's implementing legislation this year and push for approval before Congress adjourns in October.

- Our goal remains to bring the NAFTA into force on January 1, 1994.

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File: NAFTA

September 1, 1993

President Bill Clinton
The White House
Washington, D.C.

Dear Mr. President

As economists, we feel it is necessary to set the record straight on the costs and benefits of the North American Free Trade Agreement.

While we may not agree on the precise employment impact of NAFTA, we do concur that the agreement will be a net positive for the United States, both in terms of employment creation and overall economic growth. Specifically, the assertions that NAFTA will spur an exodus of U.S. jobs to Mexico are without basis. Mexican trade has resulted in net job creation in the U.S. in the past, and there is no evidence that this trend will not continue when NAFTA is enacted. Moreover, beyond employment gains, an open trade relationship directly benefits all consumers.

A recent review by the Congressional Budget Office fairly summarizes professional opinion:

> "..NAFTA, if passed, would produce both winners and losers, but that the total gain to winners would be larger than the total loss of the losers in both Mexico and the United States. The effects on the U.S. economy -- both good and bad -- would be small for many years because (1) U.S. tariffs and other trade barriers are already small, (2) elimination of the tariffs and other barriers would be phased in slowly, and (3) the Mexican economy is only about 4 percent of the size of the U.S. economy. The benefits would grow over time, however, as the Mexican economy [grows] larger."

Working with our neighbors to build a strong partnership in North America is a desirable parallel track to multilateral efforts for an open world trading system. We urge your support for the North American Free Trade Agreement.

Sincerely,

280 + econ. / 12 Nobel prize winners

LIST OF ECONOMISTS WHO SIGNED THE LETTER TO THE PRESIDENT IN SUPPORT OF NAFTA.
AN ASTERIX MARKS (*) NOBEL LAUREATES IN ECONOMICS.

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PRESIDENTIAL LEADERSHIP ON TRADE: As President, Governor Clinton will aggressively pursue remedies available in current US laws and in the proposed NAFTA agreement to protect US jobs, businesses, farmers and the environment. There should be:

o Vigorous use of Section 301 of the 1974 Trade Act -- and to the extent the agreement allows it -- the use of Section 201.

o Moreover, the President must use his discretion to deny trade benefits under the General System of Preferences.

o Prevention of senior US Trade Representatives becoming registered agents for foreign governments.

GOVERNOR CLINTON BELIEVES THAT MANY OF THE COMPONENTS OF OUR COMPREHENSIVE ECONOMIC GROWTH PLAN CAN MAKE NAFTA WORK AND THAT MANY OF THESE STEPS CAN BE ACHIEVED THROUGH IMPLEMENTING LEGISLATION AND SUPPLEMENTAL AGREEMENTS THAT DO NOT REQUIRE RENEGOTIATING THE AGREEMENT. While Governor Clinton supports NAFTA, he is equally committed to taking adequate steps in the implementing legislation that is needed before NAFTA becomes the law of our land. These measures can be addressed in strong national steps by the next Administration and in supplemental agreements with Canada and Mexico. U.S. national steps are needed in a number of areas:

Worker Assistance: In contrast to President Bush's repeated efforts to cut or eliminate the Trade Adjustment Assistance program, Bill Clinton is committed to a comprehensive worker assistance program that helps companies and their workers adjust to new changes through (manufacturing technology centers, ongoing worker training), quick response retraining and counseling, health care, and strong support of trade adjustment and retraining proposals throughout his Presidency -- and not just as a ploy several weeks before the election. We must be clear in our commitment to those who will bear the burden of expanded imports from Mexico and Canada.

AID Abuse: We also must stop using taxpayers' money to export the jobs of American workers. The U.S. Agency for International Development (AID) has spent at least $289 million for programs to encourage U.S. businesses to relocate to Central America and the Caribbean.

Environment: We must protect our environment. We must ensure that there will be adequate funding for the environmental cleanup and the necessary infrastructure along the border to handle the development and increased traffic.

Farmers: We need to help the farmers who may be hurt by NAFTA. We can assist by: strict application of U.S. pesticide requirements to imported food; establishing that growers who lose out to Mexican competition are eligible for worker assistance; and utilizing more of the existing agricultural programs to help growers identify alternative crops where they would be more competitive.

Open Up Resolution Process: To ensure greater public participation in the NAFTA dispute process, especially in the environmental area, U.S. laws should provide for individuals and groups to participate in crafting the U.S. Government's position in ongoing NAFTA disputes, and to petition the U.S. Government to commence a challenge under NAFTA to an objectionable Mexican or Canadian activity.

Prevent Loopholes to Hurt Strikers: We must make sure that NAFTA does not open loopholes for foreign workers. For example, we must ensure that "professional workers," such as nurses, are not brought in as strikebreakers and that Mexican truck drivers are subject to more U.S. inspections.

Supplemental Agreements: Each of the items above can be achieved by actions by our own Administration and the Congress. In addition, there are several areas where we must negotiate supplemental agreements with the Mexican and Canadian governments before implementing NAFTA.

Environmental and Worker Commissions: We must establish an environmental commission with substantial powers and resources to clean up and prevent border pollution. The commission would also encourage the enforcement of the countries' own environmental laws. It should have funding from all three nations to educate, train, undertake construction projects, and develop minimum standards. It would also have the power to provide remedies, such as money damages and injunctions, and the power to prevent pollution.

We should also establish a second commission with similar powers for worker standards and safety.

Stronger Enforcement: We should try to deal even further with perhaps the toughest problem of all -- obtaining better enforcement of the national laws on the environment and worker standards. The present NAFTA agreement has large gaps here. Governor Clinton would use the detailed protections for intellectual programs and investment in the present NAFTA agreement as an analogy, and he would negotiate a supplemental agreement with Mexico and Canada that enhances each country's ability to enforce its environmental and worker standards. This agreement would require a wide variety of procedural safeguards and remedies, such as easy access to the courts, public hearings and the right to present evidence, streamlined procedures, and effective remedies.

TALKING POINTS - NOT FOR RELEASE
NAFTA

• Governor Clinton supports the NAFTA agreement because it will make America stronger.

• The proposed agreement has the potential to create the largest market in the world, spur more jobs through expanded trade, and benefit our neighbor Mexico.

• But the failures of a passive Bush Administration are reflected in the shortcomings of the agreement. It fails to protect the rights of workers and farmers and does not adequately address environmental concerns.

• Governor Clinton will make NAFTA work -- because of his comprehensive growth agenda and new enabling legislation. The NAFTA agreement can only be understood in this context.

• NAFTA will work if America has a strong economic strategy. Clinton's growth agenda will invest in America to create millions of high-wage, high-skills jobs.

• Governor Clinton will aggressively pursue the remedies available in current US laws and in the proposed agreement to protect American jobs, businesses, farmers, and the environment. And he is committed to certain new national steps and implementing legislation:
* Create a comprehensive worker assistance program that helps companies adjust to new changes -- through manufacturing technology centers, ongoing worker training, and health care reform. And he will stop AID abuse of taxpayer money to export American jobs, as documented on "60 Minutes" and "Nightline."
* Ensure that there is adequate funding for environmental cleanup and the necessary infrastructure along the border to handle the development and increased traffic.
* Make sure American farmers do not suffer from NAFTA. Clinton will strictly apply American pesticide standards to imported food; make sure growers in trouble get worker assistance; and help our farmers become more competitive.
* Ensure greater public participation in the NAFTA dispute process, especially concerning the environment.
* Make sure that NAFTA does not open loopholes for foreign workers in America at the expense of American workers.

• In addition, we must also negotiate supplemental agreements with Mexico and Canada.

* Establish an environmental commission with real power to clean up and prevent border pollution, and encourage the enforcement of each country's own environmental laws.
* Establish a second commission with similar powers for worker standards and safety.
* Using the detailed protections for intellectual programs and investment in the current NAFTA agreement as an analogy, negotiate a supplemental agreement with Mexico and Canada that enhances each country's ability to enforce its environmental and worker standards.

TALKING POINTS

NOT FOR RELEASE

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

Talking Points
(extended version)

SUPPORT FOR NAFTA: Governor Clinton has consistently said that a good NAFTA agreement would create the largest market in the world, spur more jobs through expanded trade and continue the impressive changes now occurring in Mexico, an important neighbor.

o Overall, the proposed NAFTA agreement advances our interests and will make America stronger.

o It will phase out virtually all tariffs between the U.S. and Mexico over the next fifteen years, thus eliminating Mexico's considerably higher average tariffs. Some of our most sensitive products will receive the longest transition periods.

o The proposed pact also reduces barriers to trade in services (e.g., insurance and banking), to investment, and to the establishment of businesses. It strengthens the protection of intellectual property in Mexico, such as patents, copyrights, and trademarks.

o The agreement contains some improvements on environmental protections, unprecedented for trade agreements. For example, U.S. environmental, health, and safety laws -- federal and state -- will not be affected so long as they do not discriminate against imports and have sound scientific basis.

HOLES THAT REFLECT THE BUSH ADMINISTRATION'S FAILURE: Yet, there are failings in this agreement that reflect the failings of this Administration. As is too often the case with this Administration's policies, there are holes when it comes to protecting workers' rights, farmers' needs and environmental protection. As on most economic policy, Mr. Bush's attitude has been that government should step aside, and everything will be just fine. Now, that same attitude appears in the NAFTA agreement. So what if some workers get hurt? So what if some farmers get hurt? So what if the environment gets hurt? In Mr. Bush's passive presidency, those are the breaks.

DESPITE THE AGREEMENT'S SHORTCOMINGS, BILL CLINTON SUPPORTS THIS AGREEMENT BECAUSE WITH HIS COMPREHENSIVE ECONOMIC GROWTH AGENDA AND TRUE PRESIDENTIAL LEADERSHIP, THIS AGREEMENT CAN MOVE AMERICA FORWARD: Despite some weaknesses in the agreement, Governor Clinton has decided that the best way to move America forward is to support this agreement, but then work hard to take the critical steps we need to fill the holes in not only this agreement, but in the overall Bush economic policy as well. That means that if we are to move forward with NAFTA, we must also move forward with a national economic strategy that retrains our workers, defends our environment, and stands up for our farmers, our businesses, and our jobs.