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Fast Track

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Fast Track: In the National Interest of the United States

FAST TRACK MEANS: IMPROVING OUR STANDARD OF LIVING

- Keeping the Economy on the Fast Track. By breaking down trade barriers and creating new jobs, the President, in consultation with Congress, use fast track authority to keep America's economic expansion on the global fast track.
- The Economy Is Strong. The President's three-part economic strategy of cutting the deficit, investing in education and training, and opening markets abroad is working. America has enjoyed the longest period of sustained growth in a generation— more than 25% coming from overseas trade. The result: 12 million new jobs, unemployment at 5%, inflation the lowest in a generation. Fast track will help continue America's economic growth.
- Our Future Prosperity Depends on Trade. 96% of the world's consumers live outside the US. The global economy will grow at three times the rate of the US economy. America needs fast track to negotiate from a position of strength fair new trade agreements that will keep us competitive, expand our exports, create more jobs, and raise our standard of living.

FAST TRACK MEANS: CREATING MORE JOBS

- Breaking Down Barriers. The President, in consultation with Congress, will keep breaking down barriers to American products and services because that strategy is producing positive results for companies and workers. America is once again the world's largest total exporter, the largest producer of semiconductors, and the largest producer of automobiles. Exports support 11 million American jobs, including one in five manufacturing jobs and over the last four years have created 1.4 million new jobs.
- Sectoral Agreements. The President needs the flexibility to negotiate agreements and increase exports in sectors where the United States is most competitive: such as agriculture, medical equipment, telecommunications, and environmental technology.
- Regional Free Trade Agreements. America will also benefit from opening markets in Asia, Latin America, and Africa to US goods and services.
- Free and Fair Trade. The President supports raising labor standards, protecting the environment and expanding worker retraining and educational opportunities to ensure that no American is left out of the global economy.

FAST TRACK MEANS: MAINTAINING AMERICA'S GLOBAL LEADERSHIP

- Compete or Retreat. As the American people prepare to meet the challenges of the 21st century, we face a critical choice: Embrace the global economy and continue to shape it to America's advantage, or turn back and fail to compete for new business, new contracts, and new jobs.
- Credibility. Fast track gives the US the credibility to negotiate tough trade deals because our partners know any agreement will not be reopened provision-by-provision by the Congress. Fast track also preserves for the Congress the ultimate decision of whether any potential agreement is good or bad for America. That assurance puts America in the best position to negotiate major trade agreements and maintains a balance that has worked for over 20 years.
- Continued Bipartisanship. Every President since 1974--Republican and Democratic--has had fast track authority. Congress has consistently recognized that the President must have the authority to break down foreign trade barriers, and a bipartisan majority of the United States Congress has consistently supported American leadership in opening markets and creating jobs.

STAYING ON THE FAST TRACK

- Fast track authority is in the overriding national interest of the United States. America's economic strength and standard of living are linked to breaking down trade barriers, exporting our goods and services, and creating more high-skilled jobs.
- This debate is also about American leadership. As the American people prepare for the challenges of the 21st century, we face a critical choice: We can embrace the global economy, write the trade rules, and continue America's economic expansion, or we can turn our back on the world and fail to compete for new markets, new contracts, new business and new job opportunities.
- The President must have the authority to break down foreign trade barriers. Every President since 1974-- Republican and Democratic---has had fast track authority. A bipartisan majority of Congress has consistently supported initiatives to open markets and create jobs. At stake in this debate is both Presidential leadership and a bipartisan consensus on US trade policy.
- Fast track gives the US the credibility to negotiate tough trade deals because our partners know any agreement will not be reopened provision-by-provision by the Congress. Fast track also preserves for the Congress the ultimate decision of whether any potential agreement is good or bad for America. That assurance puts American in the best position to negotiate major trade agreements and maintains a balance that has worked for over 20 years.
- As we increase our trade, the President is committed to raising labor standards and protecting the environment around the world and ensuring through aggressive worker retraining and increased educational opportunities that no American is left out of the global economy

MAINTAINING OUR STANDARD OF LIVING

- Opening markets to US goods and services has been critical to our economic expansion.
- President Clinton's economic strategy of deficit reduction, investing in our people through education and training, and opening markets to our goods and services has created the largest economic expansion in a generation.
- The American people have enjoyed the longest period of sustained growth of all our G-7 partners--seven years as of last March. The US economy has created 12 million new jobs, the unemployment rate is 5%, core inflation is at a 30-year low.
- The United States is once again the world's largest exporter, the largest producer of semiconductors, and the largest producer of automobiles. Independent studies have found America to be the most competitive economy in the world for the past five years.

- The United States exports more products and services than any country in the world and trade provided more than 25% our economic growth over the past four years.
- Over the last four years, American manufacturing exports rose by 42%, high technology exports jumped 46%, service exports climbed 33% and farm exports rose 41%.
- No country is better positioned to compete than the United States. We have every reason to have confidence in our economy, in our companies and workers and in our capacity to compete and win. Fast track is a test of that confidence—and a prerequisite for seizing the trade opportunities before us around the world.

CREATING MORE AMERICAN JOBS

- Over the past four years, more than 25% of our economic growth has come from overseas trade and US exports have created 1.4 million new American jobs. Fast track will give us the chance to continue this trend.
- In addition, 11 million total American jobs are supported by exports, including one in five manufacturing jobs--paying an average of 13-16% more for non-management workers than non-trade related jobs.
- Over the next decade, the global economy is expected to grow at triple the rate of the US economy. Growth will be particularly strong in the world's emerging markets, where demand for American goods and services are taking off.
- In a world where over 96% of the world's consumers live outside of the United States, we must export our goods and services to sustain our standard of living at home. To stay on the global fast track, the President needs fast track authority.

BREAKING DOWN TRADE BARRIERS

The expanding global economy presents enormous potential for American companies and workers:

- Sectoral Agreements: The President would use fast track authority to negotiate agreements in sectors where the US is most competitive. From medical equipment and services, environmental technology and services, telecommunications to high tech computers, the President will tear down more barriers to American exports. For example, the recent Information Technology Agreement eliminated tariffs and unshackled \$500 billion of trade in semiconductors, computers, telecommunications equipment and software, and according to industry estimates, amounts to a \$5 billion tax cut in tariffs on American exports.
- Agriculture: The President would use fast track authority for negotiations to reduce barriers in the \$536 billion global agriculture market that will attack such practices as export subsidies.
- Services: The service sector represent a \$1.2 trillion global market—where US firms exported more than \$220 billion in 1996 with a surplus of \$73 billion. We have the opportunity to open

a wide range of service sectors, including health care, education, entertainment, tourism and business consulting and advertising.

Regional Free Trade Agreements

- Asia: Asia has one of the fastest growing economies in the world, with nearly 3 billion consumers. Forecasters expect real growth of 6-7% annually for the next 15 years. With our APEC partners, the President is working to reach agreement in key sectors that could open these dynamic markets to America's goods and services and keep the free trade process going.
- Latin America/Caribbean: The Latin American market including Mexico is the fastest growing area for US exports. If this trend continues, Latin America and the Caribbean will exceed the European Union as a market by 2000 and exceed Japan and the EU combined by 2010. The President is committed to moving forward toward a Free Trade Area of the Americas by 2005. Negotiating a free trade agreement with Chile is the next critical step in this process.
- Africa: Working with Congress, the President recently launched an African trade initiative to foster stronger economic prosperity in Africa and create new markets to American products. Africa's nations are joining the march toward freedom and open markets--Sub-Saharan Africa alone has 700 million potential consumers. Yet the United States currently supplies only 7% of Africa's imports.

AMERICAN LEADERSHIP IN THE WORLD

- Half a century of determined American leadership has led to a 90-fold increase in global trade and helped bring down global barriers to America's products--falling from an average 40% at the end of World War II to about 5% today. Our leadership of the global economy has served America's interest—and the world's.
- As the sole remaining superpower, the United States has a fundamental national interest in contributing to stability and security around the world. A more prosperous world will be a more peaceful world—a world more hospitable to American interests and ideals. By opening markets, fast track authority will contribute to global as well as American prosperity—it will reinforce the common interest that diverse countries and regions share in sustaining that prosperity.
- America's failure to participate in shaping the global trading system will allow our competitors to negotiate preferential trade arrangements, form strategic relationships excluding the United States, and create new exclusive trade alliances. The United States cannot abdicate its global leadership to the detriment of the American economy.
- This debate must not be about the past but about the opportunities for the future. Fast track authority will allow the President to knock down trade barriers and negotiate a broad array of trade agreements--from sectoral agreements on medical equipment and telecommunications to regional agreements in Asia, Africa and Latin American to eliminating global barriers in the

WTO. The debate over fast track is about embracing the opportunities of the global economy to create jobs, expand exports, and maintain America's standard of living.

- Opening foreign markets does not mean retreating from our commitment to labor and the environment. The President is committed to promoting worker rights and ensuring that economic growth does not come at the expense of a clean and healthy environment. Walking away from the world's markets will not improve worker rights or protect the environment—but through dialogue and engagement these issues can be addressed.

THE PRICE OF INACTION

- Other countries are breaking down trade barriers and moving forward in creating competitive trading relationships to the disadvantage of US companies and workers. It is in the national interest of the American people to stay engaged in the global economy.
- Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 free trade agreements that exclude the United States.
- Today every major economy in this hemisphere has a preferential trade deal with Chile except the United States. This gives our competitors an 11% across-the-board tariff advantage for their products, which means American companies must sell to Chile with an immediate 11% cost disadvantage.
- For example, Canada's Northern Telecom recently won a \$180 million telecommunications contract in Chile over three US companies in part to avoid paying \$20 million worth of tariffs.
- Similarly, US corn producers are at a competitive disadvantage in Chile compared to Argentinean corn producers because of a preferential agreement which gives Argentina a 3.3% tariff preference which will soon increase to 11%.
- MERCOSUR (Argentina, Brazil, Paraguay, Uruguay) wants to expand its agreements to include all of South America a move which would disadvantage American businesses.
- China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities" to expand bilateral trade in Latin America
- The EU has begun a process to reach a free trade agreement with Brazil, Argentina and other MERCOSUR countries. President Chirac recently declared "Latin America's essential economic interests...lie not with the United States but with Europe."