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Expanding Trade and Creating American Jobs
Remarks by Governor Bill Clinton
North Carolina State University
Raleigh, NC
October 4, 1992

Thank you. Thank you very much. Thank you. Thank you very much. Thank you.

You've brightened up a cloudy day. I want to say how delighted I am to be here with my good friend, Jim Hunt.

When I was elected Governor and took office in 1979, he was the leader of the Democratic Governors, and he befriended me and helped to educate me, and I can honestly say, in the years that have elapsed, I have served with about 150 governors of the United States, having now served longer than any other governor, and Jim Hunt is one of the very finest with whom I ever served in any state in America.

He was our leader in education. He was our leader in economic development. He made me think of North Carolina as a state of the future, a state with a partnership between business and government and education; a state committed to competing in a global economy; a state committed to educating its people.

The legacy of Terry Sanford and Jim Hunt inspired a whole generation of young people from all across the south, including me, and for that I will always be very, very grateful.

I'd also like to say, I'm glad to be back here at North Carolina State, especially in this comfortable auditorium.

A few years ago I came here to the Democratic Convention and we had it in the place where the Wolf Pack plays basketball. It was 90 degrees outside this is literally true. It was 100 degrees inside, and then we all got up to speak on a podium that had bright lights like this, but brighter and closer, so it was about 120 on the podium. Today it is raining on us; that day I rained on the people in the crowd.

Ladies and gentlemen, I came here to North Carolina today to talk about a

difficult and important issue for our country. I wanted to come here because I think of North Carolina as a mixture of the best in America's economy, its traditional industries, and farms, and its modern hi-tech future.

When I announced my candidacy for President a year and a day ago, I did it not just to challenge Mr. Bush, but to challenge the American people, and here I come today to talk about one of our greatest challenges--how we can compete and win in the global economy.

Because I have been a governor during the entire decade of the 1980s, because I have served in the 1970s, the 1980s, and the 1990s, I have literally been required to be obsessed with the competitive realities of my state and this nation, with what we do well and what we do poorly, with what policies work, and what policies don't. But always at the core of all my concerns are the American people, the kind of people I've seen on these bus trips that Hillary and I, and Al and Tipper Gore, have taken. We're taking another one in Florida tomorrow. People who come out with hope in their heart and pain in their eyes; people who have worked hard and played by the rules. Some of them are winning, but too many of them are losing.

The whole purpose of what one person once called the dismal science of economics, is to enable us to make good decisions that will reward people who work hard and develop their God-given capacities.

I came here today to tell you why I support the North American Free Trade Agreement.

If it is done right, it will create jobs in the United States and in Mexico, and if it is done right and it is part of a larger economic strategy, we can raise our incomes and reverse the awful trend of now more than a decade in which most Americans are working harder for less money.

If it is not done right, however, the blessings of the agreement are far less clear, and the burdens can be significant. I'm convinced that I will do it right. I am equally convinced that Mr. Bush won't.

We live in a world that has been revolutionized almost beyond comprehension. We have seen, in the last few years, the Soviet Union disintegrate, the fall of Berlin Wall, freedom fighters released from their prisons in Eastern Europe and South Africa, and of the Cold War. That was the era in which I was born and in which Mr. Bush came of age, and over the last generation, less obviously but no less dramatically, we have seen unbelievable changes transforming the global economy, which have had their impact here at home.

A little more than a generation ago, international trade and investment were a seemingly insignificant portion of our nation's income, but today our exports and imports of goods and services amount to about a quarter of our entire economy.

A little more than a generation ago, American workers, consumers, and companies lived almost entirely within the American economy. Today we live within the world economy, and foreign trade accounts for almost as high a proportion of our economic activity as it does in Japan and Western Europe.

A little more than a generation ago, we were virtually unchallenged in the world market place, but today we are challenged as ever before not only by Japan and Western Europe, but by other countries as well.

A little more than a generation ago, the world was a far simpler place. We could support free trade and open markets and still maintain a high wage economy because we were the only economic super-power, and our capacity to control our destiny was largely totally within our own hands.

Now, because money and management and production are mobile and can cross national borders quickly, we face unprecedented competition from developing countries, as well as wealthy ones.

You know that in North Carolina and so do I. A textile worker in Carolina has to compete against a textile worker in Singapore perhaps to sell sweaters in Germany.

It's also hard to tell who the players are. An American car may have more foreign parts in it than a foreign car that happens to be made in an American assembly plant.

This, in other words, is not a simple debate. The world is changing in complex ways. The choices before us are difficult, and it is imperative that at least we understand what is going on, and that we have an honest and forthright discussion of all the forces at play.

For a high wage country like ours, the blessings of more trade can be offset, at least in part, by the loss of income and jobs as more and more multi-national corporations take advantage of their ability to move money, management, and production away from a high-wage country to a low-wage country.

We can also lose incomes because those companies who stay at home can use the threat of moving to depress wages, as many do today. Other countries like Germany and Japan have, quite frankly, managed this problem much better than we

have. How have they done it?

First of all, by maintaining a more highly-skilled work force -- not just among their university graduates, but up and down the line among their workers.

Secondly, by investing more in modern plant and equipment and in research and development, and developing better systems of moving ideas from the laboratory to the market place, so that if they lose one kind of manufacturing job, there are always other kinds opening up. In contrast to what you often have here, where when people lose their manufacturing jobs, they look around until their unemployment runs out, and then eventually take jobs making half what they used to make.

Thirdly, these countries do a better job of controlling their external costs like health care and energy. The average German factory produces the same amount of output as the average American one for 1/2 the energy input, and our country spends 30 percent more of our income on health care than any other nation with which we compete.

Next, other countries do a better job of exporting more and of continuously increasing productivity by working together more closely, business and labor, government and education. But also let's be frank--Germany and Japan have policies that are tougher in keeping high wage jobs at home, at least for the home market. The Europeans have an absolute ban on foreign car sales that exceed 16 percent of the market now in Western Europe. The Japanese distribution system means that only 3 percent of the cars sold in Japan are not Japanese. We have an auto parts export surplus of \$4 billion with every country in the world, but when you add Japan in, we have a \$9 billion deficit.

For some time now--as you see, this is a very complicated thing, and for some time I have felt that one of the most difficult problems in modern politics and, therefore, in this presidential election, is the simplistic and superficial labeling of complex issues.

As network news sound bites have shrunk by -- one study -- they're down to less than 9 seconds now, public discussions of important issues have gotten the short shrift. On, perhaps, no other issue has the decline of discourse been more pronounced than on the issue of trade, an issue of great impact to you here in North Carolina, in positive and in negative ways on farmers and textile workers, on furniture makers, on engineers, and scientists in the research triangle.

Too much is at stake here to avoid the real issues and yet, time and again, that is what we do.

The issue here is not whether we should support free trade or open

markets. Of course, we should. The real issue is whether or not we will have a national economic strategy to make sure we reap the benefits, and the answer today is -- we don't.

Too many Republicans would say that it's a simple issue--free trade always equals economic growth. Well, it can, but only if we have a comprehensive national strategy to promote that kind of growth.

Some Democrats would say that free trade today always equals exporting jobs and lowering wages. Well, it sure can if you don't have a comprehensive economic strategy to maintain a high-wage, high-growth economy.

It is in that context that we have to look at this North American Free Trade Agreement. Is it good for Americans? Will it help us to develop a high-wage, high-growth economy here at home? Or, by opening Mexico to more U.S. and foreign investment, will it simply encourage more United States companies to abandon their workers and communities here and move to Mexico? Will it depress wages of those who are left here, and will they even have ironically, less money to buy the products that Mexico will send back to this country?

Well, if you look at the experience of the maquiladora plants, those who have moved to Mexico right across the border, there is certainly cause for concern. We can see clearly there that labor standards have been regularly violated; that environmental standards are often ignored, and that many people who have those jobs live in conditions which are still pretty dismal not just by our standards, but theirs.

So there is some reason to fear that there are people in this world and in our country who would take advantage of any provisions insuring more investment opportunities simply to look for lower wages without regard to the human impact of their decisions.

Still, you must look at the other side of the coin. Changes in Mexico under President Salinas have ballooned our two-way trade with them and have eliminated the trade deficit we once had with Mexico, thus creating jobs here in America even as our investment policies have cost them.

I can also say, based on my own experience, that a good economic policy can grow manufacturing jobs even in tough global competition.

In our state, thanks to highly productive workers and creative business leaders, good cooperation between the government and the private sector, good incentives and aggressive support for educating workers, promoting quality management and marketing more products, we have grown manufacturing jobs at 10 times the national average for several years now. You heard

Governor Hunt say that we now rank first in the country in private sector job growth. There are many and complex reasons for this, but we did have a definite strategy that involved partnerships with a deliberate decision not to give up our manufacturing base. That is very important.

In the United States of America today, only about 16.5 percent of the work force is in manufacturing. In my state, it's 22 percent. In this state, I think it's still about 28 percent, the largest in the United States.

I want to make it very clear--I am committed to maintaining a strong manufacturing base in this country.

My granddaddy used to say that during the Depression, people were so poor they took in one another's washing for a living.

That would be the equivalent of an economy that was only a service economy where nobody in America ever made anything.

The great economic powers in this world are the people who make things. We have 16.5 percent of our work force in manufacturing; Japan has 28 percent; Germany has 32 percent. We must do better and we can.

I believe NAFTA can contribute to this effort, not undermine it, as long as we move aggressively to address the serious omissions from the agreement.

I believe we have to do more for our own workers, to protect the environment on both sides of the border, both because it's good for the environment and because if they don't do it, it will further lower their cost of production, to promote prosperity on both sides of the border.

If we do these things and, again, if we develop a serious economic policy at home, then NAFTA can be a very good thing for the United States.

We simply cannot go backwards when the rest of the world is going forward into a more integrated economy. We cannot go inward when our opportunities are so often outward. For all our history, America has moved ahead and reached out, colonizing a wilderness, exploring a continent, always seeking what President Kennedy called the New Frontier.

And today we must forge ahead again. As president, I will seek to address the deficiencies of the North American Free Trade Agreement through supplemental agreements with the Canadians and the Mexican government and by taking several key steps here at home. I will not sign legislation implementing the North American Free Trade Agreement until we have reached additional agreements to protect

America's vital interests. But I believe we can address these issues without renegotiating the basic agreement.

This agreement, however, is only one piece of a larger puzzle. Even the present negotiations recognize that, as there are other issues being discussed all along. We need not only to reduce trade barriers, but to prepare our entire workforce not only to compete in the global economy, but to live with the changes in it and to make sure nobody gets left behind.

I remain convinced that the North American Free Trade Agreement will generate jobs and growth on both sides of the border if and only if it's part of a broad-based strategy, and if, and only if, we address the issues still to be addressed.

If we don't do those things, we can kill NAFTA, but we'll still lose jobs. And that's the important point I want to make. I have been governor of a state that has seen jobs go on a fast track to Mexico and to other countries. If we do nothing on this agreement and we don't address the serious worker retraining and economic investment issues in this country and we don't change our economic policy, we will still lose jobs because money, production, and management are mobile, and there are people, unfortunately, in this world who would rather move for cheap wages than stay and work for productivity.

We have got to face the bigger issue. We cannot overload NAFTA and make it the symbol of either all our hopes, as Mr. Bush has done, or all our fears, as some of the opponents have done. We have got to see this as a part of a real, big effort to rebuild the American economy from the ground up.

This is not an abstract question. It has real consequences for real people.

For more than a decade, our country has been led by yesterday's men, who were out of touch, out of ideas and out of step with the developments in the global economy, who refused to recognize not only new opportunities, but new challenges and new responsibilities.

Americans have paid a terrible price for their policies. Trickle-down economics have given us a weakened economy, declining wages for more than two-thirds of our workers, longer work weeks, lost jobs, greater inequality, greater poverty, one in 10 Americans on food stamps today, 100,000 Americans a month losing their health insurance, and the real sense that we may be raising the first generation of Americans to do worse than their parents.

Without a national economic strategy, this country has been allowed to

drift. Meanwhile, our competitors have organized themselves around clear national goals to save, promote and enhance high-wage, high-growth jobs.

In a Clinton administration, we will approach trade and every other issue with a single-minded focus, to do what is best for ordinary Americans who are willing to work hard to get ahead.

But that focus must also recognize the new rules of the global economy. When Japan discovers a way just to make cars a little better, or when the European Community closes its markets to American pork, or when our president refuses to issue export credits and European farmers take away a Russian market that was meant to be for us, or when a country in South Asia or South America violates copyright standards for software, the impact is felt in factories and farms and families all across America.

But when people line up in Paris to watch an American movie, when families around the world eat American food, when a jet made in Seattle lands or takes off from an airport in Seoul, American jobs and paychecks are more secure.

Our prospects and our prosperity depend upon our ability to win in this kind of environment, an environment in which what we earn depends on what we can learn, in which Americans who only finish high school and have no further education and training face far grimmer futures than their parents, an America in which if we do not equal our competitors in research and development and our skill in bringing ideas into manufacturing jobs here at home, unless we have a conversion plan to take all the money by which we reduce defense and invest it in an American economy for the 21st century -- in transportation, communication, and environmental cleanup technologies, in biotechnology, in the new frontiers that will provide tens of thousands, indeed, hundreds of thousands of high wage jobs if we seize the opportunities, unless we do that, whatever we do on this trade agreement will not guarantee or undermine the future we are otherwise going to have.

We've got to understand what the big rules are and start following them. Our competitors know it. The Germans and the Japanese do more with education, from public school to apprenticeships to training in the work force, than we do. The average German factory spends five times as much money retraining its workers as the average American employer on an annual basis.

They do more on research and development than we do. They spend a higher percentage of their income.

But when our companies do have well-trained workers and competitive products and services and high levels of cooperation and productivity, they

do very well indeed. We still have some of the finest companies in the world, that dominate their marketplaces in spite of the fact that they live in a country which doesn't encourage investment in new plants or investment in new Maseratis or third or fourth homes. They do so in spite of the fact that they live in a country which won't control health care costs and in spite of the fact that they live in a country which doesn't guarantee that workers will always have the opportunity to have high, high, high levels of education and training.

But no matter what we do in preparing our workers and investing money, we've still got to have markets for our products. As much as we export, the Germans export a far higher percentage per capita than we do. We need more markets. And today, regional economic blocs are emerging, very formally in Western Europe and less formally, but still surely in Asia, organized by Japan and Japanese investment.

It is too early to say whether the integration of Western Europe will be a plus or a minus for America. If they keep opening trade, well, that's good.

We now have a \$17 billion surplus with Europe. But they also limit car imports to 16 percent, and they recently restricted imports of American agricultural products on the flimsiest of excuses.

So while we don't know what will happen with these other regional trading blocs, we know enough to know that we need stronger ties to our neighbors both for positive opportunities and to protect us in the event that other countries become more protectionist.

We can only do that with Canada, which is already at roughly our standard of living, and with Mexico, which is way below our standard of living, if we find a way to grow our economies together in ways that are good for both of us.

So I advocate this treaty as a beginning of that process. I hope that one day we'll have a global agreement for the General Agreement on Tariffs and Trades which will be fairer to our country and which will open markets around the world. But in the meantime, we need to do more in our own region.

If we can make this agreement work with Canada and Mexico, then we can reach down into the other market-oriented economies of Central and South America to expand even further. But these three economies together will give us, in terms of population, the largest trading market in the world today.

It will provide more jobs through exports. It will challenge us to become more competitive. It will certainly help Mexico to develop, but still, that is also in our interest: A wealthier Mexico will buy more American products; as incomes rise there, that will reduce pressure for immigration across the border into the United States, which depresses wages here.

President Salinas has taken some important steps. He's privatized corporations, he's reduced his debt, he's tamed inflation and he's brought down trade barriers. As I said, the unilateral initiative of the Mexicans has led to a huge increase in the products we sell there and the evaporation of the trade deficit. They also encouraged us to enter these negotiations.

Now, what we have to do, I will say again, is to have a new kind of leadership to make this work. We have to have an overall trade policy that says to our trading partners, particularly our wealthy ones, if you want access to our market, you've got to give us access to yours.

When the president went to Japan, it was sort of sad. He took the auto company executives and pleaded with the Japanese to buy cars. But his United States trade representative had given him a report that said that if Japanese markets were as open as American markets, they would buy \$10 billion more products from us every year, everything from agriculture to auto parts to electronics, in ways that would create 300,000 high-wage jobs in America.

So have to say that trading blocs are not enough. We need fair treatment in other countries if we are giving them fair treatment in ours.

But let me come back to this agreement. Although it is unpopular with some people and organizations that I admire and who represent the very Americans I am fighting so hard for in this election, I think we should go forward with it because it advances our interests, the interests of ordinary Americans, more than it undermines them if we also do the other things needed to deal with the deficiencies in this agreement and if we have a good, new economic policy.

The agreement reduces and eventually eliminates trade barriers in place, especially in Mexico, against a number of major American exports. It opens up larger markets for our goods and services. It will phase out virtually all tariffs between the U.S. and Mexico over the next 15 years, with some of the most sensitive products being given the longest transitions.

Yet, as I said, there are critical issues which remain unaddressed, from workers' rights to farmers' needs to environmental protection. Despite the promises he made to really address these in a forthright way, Mr. Bush has failed, most

important, to provide adequate assistance to our workers, those most likely to be hurt by economic integration with Mexico.

American farmers could also suffer without stronger safeguards for their interests. And the environmental provisions are still too weak. This agreement does nothing to reaffirm our right to insist that the Mexicans follow their own labor standards, now frequently violated--this is a very important issue--and not aggravate the wage differentials which already exist.

As we move toward free trade, we must always remember why we're doing it--to help the working men and women of America. We should not do things that are not in the interest of our people over the long run.

There are apparel workers, fruit and vegetable farmers, electronic workers, and auto workers who are at risk, not only of short-term dislocation, but of permanent damage if this agreement is not strengthened and improved. Industries that have already been hard hit by the flow of jobs to Mexico will continue to be hurt unless we negotiate tougher measures to protect them and to make ourselves more competitive.

The shortcomings in the agreement are really a reflection, however, of the shortcomings in the Bush economic policy as a whole, not just in his approach to trade with Mexico or to world trade, but in the whole approach to the economy and the environment.

This agreement underscores the core of the differences between me and Mr. Bush. From the national economic recession to the dislocations caused by defense cutbacks, his attitude has been that we should have trickle-down economics and let the market have its way, keep taxes lowest on the wealthiest Americans, then get out of the way. He seems to be saying, so what if some workers get hurt or some farmers get hurt or some environmental damage is done? So what? Sooner or later, it'll all come out in the wash. Well, a lot of Americans are being washed away by that economic philosophy.

I want America to go forward with expanded trade with our neighbors. I also want an America that has a national economic strategy that makes sense. And I believe there are some things we need to do to make this agreement stronger, but I think they can be addressed without renegotiating the basic free trade agreement.

As president, I will ensure adequate measures are taken, before Congress acts to implement the free trade agreement. I don't want to give up all our leverage to help our workers and to make sure our environment is protected by basically ratifying the agreement through legislation. I think that we don't have to reopen the agreement, but we do have to insist that protection for our workers, and for the environment proceed on parallel tracks. We should do it all at once.

President Bush has many tools at his disposal to protect our interests in addition to the things that ought to be done to the agreement. But he has failed to use them. As president, I will aggressively pursue the remedies available in our current trade laws and in the proposed agreement to protect our jobs, our businesses, our farmers and our environment from unfair practices. In addition, I think there are five unilateral steps we should take, and there are three supplemental agreements we should negotiate with Canada and Mexico to achieve an acceptable package. Here they are: First, what we have to do; we've got to address the long neglected needs of our working people, both skilled and unskilled, who are on the front lines of new economic conditions and who may be displaced. The most glaring omission in the president's package is its lack of meaningful assistance to vulnerable workers and community.

For those who need training, we must provide it. Mr. Bush's record on these issues is not a good one. In the last three budgets, he has proposed totally eliminating the training assistance that goes to people whose jobs are displaced by foreign competition.

In his 1993 budget, he cut employment and training programs by \$40 million. In a cynical election year ploy, his labor department proposed some more money for job training and other trade assistance to Michigan workers who've lost their jobs. It amounted to about \$4.60 a worker.

In our administration, the Clinton/Gore administration we won't play politics with the lives of working men and women.

We will give you real programs to deal with the real problems. Trade adjustment assistance that includes training, health care benefits and income supports, and assistance to communities to create jobs. You can train people all you want, but if they don't have anything to do, it will be like being all dressed up with no place to go.

While Mr. Bush has, in the 11th hour, made a proposal more generous than anything he has said before, it is still way too little too late. I will do more, it will be better. The American working people will be proud of it. It will ensure dignity and the opportunity to continue to be a productive member of the American workforce.

The second thing we have to do is move to protect our environment.

The Bush administration on this score is so bad that Mr. Bush's own cabinet secretary sent a memo to all of his employees saying what a bad job the president had done at the earth summit. And he's even stopped calling himself the environmental president.

It's not surprising that they did little to deal with this issue in the negotiations. Before we implement this, we have to be sure, first, that there will be environmental cleanup and infrastructure investments in our country sufficient to do what we have to do.

The third thing we have to do is to make sure we do something for the farmers who are at risk here. I am convinced, having read this agreement with some care, that some of the farmers will do better under it than they fear that they will and that the losses in some sectors have been somewhat exaggerated. However, there will certainly be some dislocation.

Assistance should be provided to farmers who are threatened. We can assist them first by strict application of American pesticide requirements to imported food.

We should help some growers shift to alternative crops, and those who may lose out to competition should be just as eligible for transition assistance as workers in businesses and communities are.

Fourth, we ought to make sure that NAFTA, the trade agreement, doesn't override the Democratic process.

For example, in the provisions on the environment, the current agreement contains no mechanism for public participation in defending challenges to American laws if we apply our environmental laws against Mexican products, or in bringing challenges to the practices of other parties.

I think the new Congress should pass legislation to provide for public participation in crafting our position in ongoing disputes, and to give citizens the right to challenge objectionable environmental practices by the Mexicans or the Canadians.

Fifth, I think we have to make sure this agreement's provisions allowing foreign workers to cross our borders are properly implemented. We have to assure that certain professional workers aren't brought in here as strike breakers. The recent experience where Canadian workers were brought into the country to break our nurses' strike by American nurses is an example of this. That should never be repeated.

As president, I have said repeatedly, I would support a law to outlaw the use of permanent replacement workers, and I certainly will negotiate to stop the use of replacement workers from Canada and Mexico.

I also think--I want to note that this agreement allows Mexican truckers to drive in the United States without having to satisfy all the U.S. safety and training

standards. That troubles me, and I think that you have to say that we must do everything we can under the agreement, and there are some things we can do, to assure there is adherence to U.S. standards through tough inspections.

There are several areas now that we have to negotiate, supplemental agreements which I would want to present together with the agreement that's already been negotiated. Before implementing the agreement, we must establish an environmental protection commission with substantial powers and resources to prevent and clean up water pollution. The commission should also encourage the enforcement of the country's own environmental laws through education, training and commitment of resources, and provide a forum to hear complaints.

Such a commission would have the power to provide remedies, including money damages and the legal power to stop pollution. As a last resort, a country could even be allowed to withdraw.

If we don't have the power to enforce the laws that are on the books, what good is the agreement?

We must have some assurances on this. This is a major economic, as well as an environmental, issue.

Best of all, I'm going to ask Senator Gore to take charge of ensuring that an effective commission is established and that it does work to protect the environment.

The Bush administration has talked about setting up a commission, but it's too little, too late. It won't even be up for final discussion until next year. By then, the incentives the other countries have to do anything meaningful will have evaporated if the agreement is already adopted.

That is unacceptable. Al Gore and I will ensure that the environmental protection commission is up and running when the free trade agreement is up and running.

A second commission with similar powers should be established for worker standards and safety. It too should have extensive powers to educate, train, develop minimum standards and have similar dispute resolution powers and remedies. We have got to do this. This is a big deal.

Perhaps the toughest issue of all is how to obtain better enforcement of laws already on the books on the environment and worker standards. It's interesting that the agreement negotiated by the Bush team goes a long way to do this in protecting intellectual property rights and the right to invest in Mexico, but is silent

with respect to labor laws and the environment.

I want to remedy that. I'm interested in the impact of the agreement on the rest of the people, not just those investing in Mexico, but the rest of the people in this country and the rest of the people in their country.

So we need a supplemental agreement which would require each country to enforce its own environmental and worker standards. Each agreement should contain a wide variety of procedural safeguards and remedies that we take for granted here in our country, such as easy access to the courts, public hearings, the right to present evidence, streamlined procedures and effective remedies. I will negotiate an agreement among the three parties that permits citizens of each country to bring suit in their own courts when they believe their domestic environmental protections and worker standards aren't being enforced.

Finally, I want to ask Congress to grant the authority to the president to continue negotiations on the impact of this treaty. What if we have a global agreement? How will that impact this? And most important, what happens if there is an unexpected surge in imports in one sector or another that displaces huge numbers of people in this economy?

We have in our present trade law, believe it or not--a lot of people don't know this--we have in our present trade law the capacity to protect our own workers if there is, quote, an unexpected surge in exports--or imports into our country in some sectors of the economy, where the displacement is too great for us to manage, too great for us to retrain, too great for us to put people to work in other sectors.

That provision is contained, for automobiles only, in the North American Free Trade Agreement, and the remedy is weakened substantially.

I believe we should negotiate a parallel agreement that deals with the fact that neither the Mexicans nor the Americans know what the full consequences of this agreement are going to be. You can't get anybody to agree on how many jobs we're going to lose or how many jobs we're going to gain out of this. And I think it's fair to say that we don't want to do anything that's unnecessarily crippling to them, and they shouldn't want to do anything that's unnecessarily crippling to us.

So I will ask the Congress to give me extended authority to negotiate another agreement to deal with the ability of both countries to move in the event there is an unexpected and overwhelming surge in imports into either country which would dislocate a whole sector of the economy so quickly that there's nothing we could do about it to overcome the economic impact.

Now, I want to say one more time, none of this will make a difference unless

we have a new economic policy. This administration has no strategy to create and preserve jobs in middle America, but they offer job training, low cost loans and technical assistance to companies that'll move to Central America. I know that most of you saw or now have heard the television show which documented the fact that the United States Agency for International Development has spent at least \$289 million for programs to encourage American businesses to shut down here and move to Central America and the Caribbean. In fact, your tax dollars paid for this advertisement. And I quote--you paid for this: Rosa Martinez produces apparel for the U.S. markets on her sewing machine in El Salvador. You can hire her for 57 cents an hour.

How do you feel about paying for that? You paid for low-interest loans to a plant in Tennessee to shut down in Tennessee, put 304 people on the street, and move to Central America. But that fellow running that plant couldn't get the same low-interest loan to modernize plant and equipment in Tennessee to keep those people working.

You paid for an employee of the United States government who was photographed in an interview saying that the workers in the country he was working in were more reliable than the workers in Miami, Florida. You paid for that.

It is no wonder that the American working people are so frightened of having this administration implement this trade agreement.

We've got to stop using our own taxpayers' money to export their own jobs. And it's unbelievable to me that we have actually spent more money under the Bush administration last year to train workers in Central America than we spent to train people in middle America who had lost their jobs because of foreign competition.

Now, those are their priorities. But let me say again: it's not enough just to stop what they are doing wrong. We have to do some new things right. And let me reel them off quickly:

We've got to change the tax system in this country. We should give people more incentives if they invest in new plants, new equipment, new small businesses, research and development, housing, the kinds of things that put the American people to work, and we should remove from the tax code the incentives to shut plants down here and move them overseas. That's what we should do.

This is entirely consistent with what the other wealthy countries do. This is the only country--you look at Germany and Japan; look at their tax code--that would say we're not going to give you an investment tax credit to modernize your equipment and your plant; but shut your plant down, move it overseas, we'll give you a tax deduction for shutting the plant down, we'll give you loss carried forward for the losses in the

earlier years. Keep your money down there and you'll never have to pay income tax on it in America.

It's all backward. We need a tax system that's an investment, a job-oriented tax system that says we want people to make money in America, but we want them to make it the old fashioned way--make millionaires by putting other Americans to work. That's very, very important.

I mentioned this once before and you clapped so I know you got it, but we've got to have a conversion strategy to do something with the defense money. The defense budget is going to be cut no matter who wins this election.

But look what has happened. What has happened under the present Administration is all that money is going to the S&L bailout the higher health care costs. I want to put it into jobs for Americans. It's important.

We've got to have--we have got to finally join the other advanced nations and have a national system to bring health costs in line with inflation and provide basic health care to all Americans; one that preserves the strengths of our system, but deals with the problems.

We've got to bring energy usage into competitive lines with more efficiency and alternative uses of energy, more use of cheap American natural gas, renewable energy sources, and efficiency.

If we could be as efficient in every factory and office building as our foreign competitors, it would free up billions of dollars to reinvest in this economy.

If we could bring health care costs in line with inflation, it would save the average American family \$1,200 a year and hundreds of billions of dollars for this economy, which could be reinvested for new jobs by the end of this decade hundreds of billions of dollars.

And let me point out that that is why our campaign has been getting such broad based support. The Teamsters endorsed the Clinton-Gore ticket, the first Democratic ticket they had endorsed in two decades. In the hi-tech center of America, Silicon Valley, 21 computer and electronic executives endorsed our ticket; two-thirds of them were Republicans.

In Chicago the other day, 400 business executives endorsed our campaign; a third of them were Republicans--because they know that what's going on now is not working.

On the health care issue, Mr. Bush keeps dumping on me, but the Nurses

Association endorsed our campaign; the first time they ever had

The American College of Physicians, 77,000 doctors, issued a health care plan very similar to mine, and last week people who had been executives in both the Republican and Democratic Administrations said that Bush's health care plan would not control costs; that mine would save the average family nearly \$1,200 a year by the year 2000 and that we would cover everybody, and his plan would still leave 27 million people uncovered.

There is a reason why this kind of support is being generated for this ticket.

For all of its complexities, the debate over this treaty comes down to this:

It's clear what the benefits of trade are. It's clear what the hazards of investment across national lines are, and the issue you have to face is who do you trust to protect our workers, our communities, and our environment?

George Bush, whose Administration encourages American corporations to move to other countries with low wages and lax environmental laws, and even spends your tax money to finance it, or Bill and Al Gore who have a long record of fighting for good jobs and a healthy environment?

Do you trust George Bush, who has amassed the worst economic record in 50 years, the first decline in manufacturing, two-thirds of the working people with their wages going down, 1 in 10 Americans on food stamps, quadrupled the debt in the last 12 years with our investment in the future going down, and no strategy for the future, or a different kind of Democrat who believes we can have both, open markets and a strong domestic economy?

In the end, whether the North American Free Trade Agreement is a good thing for America is not a question of foreign policy. It is a question of domestic policy.

If we are not strong at home, we will inevitably be weaker abroad. We have to build a new economy in which incomes and employment are rising and companies are growing; a society in which opportunity is expanding and hope comes alive again.

And so I say to you, my fellow Americans, we have to have the courage to change, and a part of that change should involve a closer relationship with Mexico now under better leadership than ever in my lifetime. If we have the determination to reject failed policies and the old labels of the past, if

we have the vision to see and work toward a better tomorrow. Therefore, we need not fear the future. If we seize this day and shape this change, we can make our great country what it was meant to be.

Thank you very much.