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Hill Meetings/Briefings [Fast Track]

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Meeting / Sch. Comm. Cmte staff
(get list of attendees) 9/25/97

Tim Houser remarks.

Q re committee / who can withdraw -
only SFC / with area if not
their jurisdiction?

What more
in the re
close cooperation
specifically
/ Comm. Cmte
Cmte

Comm. Cmte. coord. re
telecom, etc - why whole
focus on SFC there

Q re ITA2 "grandfather" provisions -
only re policy, not coordination
⇒ need to clarify that

Focus on Comm. Cmte. coord -
telecom, aviation, etc

Dropping negot. objcs. on curr. acct.
surprises "market. policy" - why?

Defer to Rubin/DOT -
don't buy it / "inextricably linked"
⇒ "glaring omission" to drop the bill

What "envit" - what's negotiable there
as det. of chairman's work?

Novick response - not inhibiting author/
agenda, whatever tools & tactics

What if 1988 Act
- mention where it's there/
environment postulates that

"Directly related to trade" meaning
(Marle A.) → present on what
is in & what isn't here
- disclaim
- trade distortion

Any spec. HR. A. Chileans that won't
negot. w/ fast track

Novick - editors & statements clear
Hansen - shut it down are before
Karin - blunt message

Others w/ fast track --
Chile, etc

→ diff. fr. trade legisla.

⇒ out of context,
fr. vs. ex. agmt., etc
[get math. on that]

Need to
improve
out
answers
here

Attached

Talking Pts (2 sets)

Q & A (1 pp)

AFL-CIO Response (6 pp)
re NAFTA, etc

THE WHITE HOUSE
WASHINGTON

DAN
BOB
ERIC
LINDA
MALCOLM

September 15, 1997

MEETING WITH HOUSE DEMOCRATIC CAUCUS

DATE: Tuesday, September 16, 1997
LOCATION: Senate Capitol 5
TIME: 4:00pm - 5:00pm
FROM: John Hilley *John Hilley*

I. PURPOSE

To discuss with the House Democratic Caucus legislation which grants the Administration traditional trading authority.

II. BACKGROUND

Please see the following attachments:

1. Democratic Talking Points
2. General Fast Track Talking Points
3. Fast Track Questions and Answers
4. Response to AFL-CIO claims on NAFTA

III. PARTICIPANTS

Pre-Brief

President
Vice President
Erskine Bowles
Ambassador Barshefsky
Gene Sperling
John Hilley
Jay Berman

*Qs re Daley
(int. Deborah)
call (to Eric)
call (to Eric)
work there
call (to Hilley)
(Larkin to Daley)
etc)*

*for Pardo
Bob Kyle?*

(Handwritten circle with "Daley" and "Hilley" crossed out)

Meeting

President
Vice President
Representative Gephardt
Representative Fazio
Democratic Caucus

IV. PRESS PLAN

Closed Press.

V. SEQUENCE OF EVENTS

Representative Fazio will introduce Leader Gephardt. Leader Gephardt will introduce the Vice President, who will in turn introduce you. You will make brief remarks and take questions from the Caucus.

VI. REMARKS

To be provided by speechwriters.

Traditional Trading Authority Discussion Points for Calls to Democrats

Held Bill Back to Listen to and Address Democratic Concerns. We held the bill back several days to hear the concerns of Democrats. We listened, and we believe we now have a bill that reflects the proper balance to address worker rights (including child labor standards) and environmental protection. Key provisions include:

- **Worker Rights.** Bill includes a negotiating objective on worker rights symmetrical to that granted President Bush by a Democratic Congress, with a specific reference to child labor. Also includes direction to seek stronger worker rights through the ILO, an idea proposed by Senator Moynihan and other Democrats.
- **Environment.** The negotiating objective also adds a specific provision on the environment, the first time ever this has been referenced in a fast track bill.
- **Agriculture.** Bill contains specific negotiating objective on agriculture, requested by Democrats.
- **Better Consultations.** Entirely new provisions requiring greater consultations, as to both the trade agreement and any labor/environmental side agreements.
- **Duration.** Authority granted until 2001, with extension until 2005 only after a congressional vote.

Bill Reflects Ongoing Commitment to Democratic Values. Overall, the President is committed to pursuing three objectives: (1) to break down unfair foreign trade barriers and create good American jobs; (2) to promote and advance worker rights; and (3) to promote responsible environmental protections. Throughout this process on fast track, our goal has been to ensure the President has the capacity to pursue all three objectives effectively.

- **Trade Agreements.** This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority. This is but one of many tools the President can use to advance his goals.
- **Side Agreements.** The President has extensive executive authority to reach labor/environmental agreements with countries. These agreements do not require congressional approval. We have already committed to conclude companion labor/environment agreements in future trade agreements where appropriate, and Chile has already agreed to enter such agreements.
- **Other Agreements.** The Clinton Administration has done more than any other to press countries to improve labor and environmental protection — and we will continue to do so, whether through the ILO, the WTO, the UN, or international financial institutions. We should be concerned about improving conditions in all countries, not just in free trade partners.

More Detailed Review of Provisions. Key provisions include:

- **Necessary and Appropriate.** We have added language that will allow us to include in future implementing bills those provisions that are "necessary or appropriate" to implement the relevant trade agreement. The Administration and the Congress need flexibility to include in such bills provisions that, while not absolutely required to implement a particular trade agreement, nevertheless address trade policy issues raised by that agreement. These might include, for example, the agreement's relationship to existing U.S. trade laws, authority to monitor the results of the agreement, or extending Trade Adjustment Assistance to help those American workers who do not share the benefits from expanded trade. Restricting future bills only to those provisions deemed "necessary" would prevent inclusion of these and other critically important provisions.
- **Duration.** The duration of the trading authority extends to 2001, with extension until 2005 only after a congressional vote.
- **Consultations with Congress.** We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators. Provisions never before included in fast track bills include: (1) a requirement that the Administration inform Congress of its negotiating objectives for a specific agreement before negotiations begin; (2) a requirement that the Administration consult before signing a trade agreement about any parallel agreements, such as labor and environmental side agreements.
- **Negotiating Instructions.** We added a section on negotiating instructions that will ensure negotiators do nothing that would lower U.S. public health and safety standards, and insist upon strict enforcement of our trade laws.
- **Specific Agriculture Objective.** The legislation responds to congressional concerns by providing a series of measures designed to achieve fairer and more open conditions of agricultural trade, including: reducing or eliminating tariffs and subsidies that hurt U.S. agricultural exports and market opportunities; addressing other unjustified barriers to such exports; and strengthening the international rules covering unfair foreign practices that distort world agricultural markets.
- **Chile.** We have specifically designated Chile as the next country with which we would negotiate a bilateral free trade agreement. Chile made a firm commitment to enter into side agreements on labor and the environment.

President Submits Legislation to Restore Traditional Trading Authority

Tuesday, September 16, 1997

Sensible Bipartisan Legislation. Today, President Clinton will submit legislation to Congress that restores the President's traditional authority to negotiate trade agreements and break down barriers to American exports. That negotiating authority legislation will help keep our economy on the right track and create good American jobs, while honoring our commitment to our workers and environment. We expect this legislation will garner the bipartisan support it deserves.

Free Trade is Critical to America's Continued Prosperity. The American economy is on the move again. The President's three-part economic strategy -- cutting the deficit to spur private sector investment, investing in critical priorities like education and training, and opening markets abroad -- is a proven success. Since President Clinton took office, the American economy has generated nearly 13 million new jobs, unemployment is below 5 %, wages are up, and the deficit has been cut by more than 85%. America is in the midst of a longer period of sustained growth than any other major economy in the world; one-third of our growth depends on overseas trade.

American Exports Create Millions of High-Paying Jobs. Our aggressive export strategy, has paid off for American companies and workers. America is once again the world's largest exporter, the largest producer of semiconductors, and the largest producer of automobiles. Exports support over 11.5 million jobs in the United States, including one in five manufacturing jobs. Over the last four years alone, exports have created 1.7 million new jobs -- jobs that typically pay 15 percent more than non-export-related jobs.

We Need To Keep Breaking Down Foreign Trade Barriers. To keep our economy on the right track, we need to give the President the power that every President since Ford has had to break down unfair foreign barriers to American exports. This legislation restores the President's power to negotiate agreements that will help American businesses compete and win.

Legislation Honors Our Commitment to America's Workers and Our Environment. As we expand trade, the President is committed to pursuing three objectives: (1) to break down unfair foreign trade barriers and create good American jobs; (2) to promote and advance worker rights; and (3) to promote responsible environmental protections. As we renew fast track authority, our goal has been to give the President an array of negotiating tools to advance those objectives and level the playing field for American workers in the trade deals:

- **Trade Agreements.** This bill permits labor/environmental provisions "directly related to trade" to be brought back to Congress under fast track authority.
- **Side Agreements.** The President has extensive executive authority to reach labor/environmental agreements with countries. We have already committed to conclude companion labor/environment agreements in future trade agreements where appropriate, and Chile has already agreed to enter such agreements.

- **Other Agreements.** This Administration has done more than any other to press countries to improve labor and environmental protection -- and we will continue to do so, whether through the ILO, the WTO, the UN, or international financial institutions. We should be concerned about improving conditions in all countries, not just in free trade partners.

President is Committed to Ensuring that Everyone Benefits from the Global Economy.

President Clinton has always recognized that we have a special obligation to help low wage and dislocated workers. That's why he fought to raise the minimum wage, provide a more generous Earned Income Tax Credit, increase investment in training, and win new pension and health benefits for workers. That effort has already brought real results for low wage workers:

- Since the President's 1993 Economic Plan passed, the real average income of the poorest 20 percent of families has increased nearly \$1,000 -- or 9.7 percent.
- In 1995 -- the most recent year data are available -- America saw its largest decline in income inequality and the biggest drop in the number of people in poverty in 27 years.

As trade helps America continue to prosper, the President will continue his fight to expand opportunities for dislocated and low wage workers.

Specific Provisions of the Bill Include:

- **Authority to Open Markets:** The bill gives the President authority to negotiate global, regional, sectoral and/or bilateral trade agreements, which would be brought back for Congressional approval under "fast track" procedures (limited debate, no amendments). This authority is critical to give our negotiators the credibility they need to secure good agreements.
- **Reaffirms Commitment to Labor/Environment:** The bill includes a specific negotiating to improve labor rights and environmental protection abroad (a first ever reference to the environment in fast track legislation). Provisions in bilateral free trade agreements must be "directly related to trade," but the Administration may also seek side agreements, where appropriate.
- **Pursues Trade Priorities:** The bill contains negotiating objectives emphasizing key U.S. trading interests, such as agriculture, services, investment, intellectual property, and the need for the U.S. to preserve its health and safety laws and to vigorously U.S. trade laws.
- **Enhanced Congressional Consultations:** We have added strong language to ensure Congress is a full partner in setting objectives and establishing trade priorities for American negotiators, including some provisions that have never before included in fast track bills: (1) a requirement that the Administration inform Congress of its negotiating objectives for a specific agreement before negotiations begin; (2) a requirement that the Administration consult before signing a trade agreement about any parallel agreements, such as labor and environmental side agreements.
- **Duration.** Authority granted until 2001, with extension until 2005 only after a congressional vote.

**PRESIDENT WILLIAM J. CLINTON
TALKING POINTS ON FAST TRACK
HOUSE DEMOCRATIC CAUCUS
September 16, 1997**

97 SEP 16 AM8:32

I have taken the step of coming here to talk directly to you about why it is in the interests of our nation, our economy, and our party for Congress to pass the fast-track legislation I have submitted today. Let me say at the outset: this is urgent for our nation, if we are to capitalize on this moment of hope to create even wider opportunity. And it is critical if the Democrats are to face the American people as a confident, hopeful party of the future.

Four and a half years ago, you and I set this country on a bold new economic course – an economic strategy that has produced strong prosperity. It was Democrats who cut the deficit by 80%. It was Democrats who invested in our people. And it was Democrats who worked with me to boost exports to record levels. Now, our strategy has produced a moment of real optimism and hope for America. Results: 13M new jobs ... unemployment <5% ... inflation low, poverty dropping ... and wages, flat for decades, now are rising. Up \$1600. And for poorest 20%, up xx%.

You know and I know that in this new economy, America has no choice but to expand trade. We have 4% of world's people; we must sell to the other 96%. 1/4 of our growth came due to trade. Today, 12 million jobs due to exports; up to 16 million by 2000. And these jobs are good jobs; they pay better than others. Today, America is #1 in autos again. And in the cutting edge industries – biotech, computers, aerospace – America leads the world.

This legislation will give me the traditional authority to make trade agreements – and it does it in a way that upholds the values of our party. It reflects your concerns and benefited from the extensive consultation we have done.

- Every single one of these agreements will tear down foreign barriers to American-made goods and services.
- It instructs negotiators to promote worker rights (in language identical to the language given to President Bush by a Democratic Congress), and makes a specific reference to child labor. It directs us to seek labor protections through the ILO – a change proposed to us by Democrats.
- It will allow us to negotiate side agreements on labor and the environment. These don't require approval by Congress. The next country with whom we will negotiate a free trade agreement is Chile – and Chile has agreed to side agreements on labor & the environment.

- It will require extensive and unprecedented consultation with Congress at every step of the way.
- It would bar any negotiators from trading away US health & safety standards.
- We don't pretend that this legislation has everything we want. But it is the best chance to advance these priorities, and do so in a way that can pass a Republican Congress. This is the best way to advance our agenda given the reality of a divided government.

We know that the burdens and benefits of trade do not fall evenly on all Americans. We recognize our obligation to those who are left behind, to make sure that all Americans can make the most of this opportunity.

- We have a comprehensive program – EITC and Pell Grants, doubling trade adjustment assistance, \$1500 tax cut for community college, minimum wage, Kennedy Kassebaum – to help working people in this time of change.
- This legislation would allow Congress to expand trade adjustment assistance as part of implementation of any trade agreement.
- Let's remember – backing away from this ~~won't create a single job or clean up a single toxic waste dump~~. There is no argument that jobs will cross the border, because we're not talking about agreements with our neighbors. The opportunities vastly outweigh the risks.

Above all, I come before you as a Democratic President who shares your values and needs your support. I will use this authority in a way consistent with the principles we stand for, consistent with the record of my administration. A Democratic Congress gave Gerald Ford this authority. A Democratic Congress gave Ronald Reagan this authority. And a Democratic Congress gave a Republican President this authority in 1991 – with the active support of many of you here. Now as a Democratic President, I ask the same authority that has been granted to every President of either party. And I pledge to you that I will use it in a way that reflects the values for which all of us fight every day. Democrats must be the party of opportunity, of hope, of the future. We cannot be that party if we are seen to be retreating from the opportunities of the global economy.

Hill Participants

Representative Chris John
Representative Bob Wigin
Representative Brad Sherman
Representative Jim Turner
Representative Alan Boyd
Representative Carolyn McCarthy
Representative Robert Wexler
Representative Karen Thurman
Representative Earl P ~~an~~eroy
Representative Juanita
Millender McDonald

Administration Participants

The President
Vice President
Secretary Rubin
Secretary Glickman
~~Secretary Daley~~
Ambassador Barshefsky
Erskine Bowles
Sandy Berger
Daniel K. Tarullo
Gene Sperling

John Hilley
Mack McLarty
Jay Berman
Vicki Radd
Susan Brophy
~~Bob Kyle~~
John Podesta/Sylvia Mathews