FOIA Number: 2017-0401-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Policy Development

Series/Staff Member: Linda Eddleman

Subseries:

OA/ID Number: 10602

FolderID:

Folder Title:
TAA [Trade Adjustment Assistants]: [Fast Track]

Stack:	Row:	Section:	Shelf:	Position:
S	100	2	6	2

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 5, 1997

PRESS BRIEFING BY
SECRETARY OF LABOR ALEXIS HERMAN,
SECRETARY OF COMMERCE BILL DALEY,
AND DIRECTOR OF THE NATIONAL ECONOMIC COUNCIL GENE SPERLING

The Briefing Room

1:11 P.M. EST

MR. TOIV: Good afternoon, everybody. Welcome to the White House. Today we have to brief on the trade adjustment assistance and other provisions that the President talked about today, Gene Sperling, the President's National Economic Advisor; Secretary of Labor Alexis Herman; and Secretary of Commerce Bill Daley. I have to warn you that Gene may need to leave early for meetings on the Hill, so we're going to try to move this along pretty quickly.

MR. SPERLING: Thank you. The President's economic strategy of deficit reduction, investing in people, and open markets has been a winning economic strategy. And this proposal is designed to make more Americans winners from economic change.

This proposal can be -- this is a proposal that is a set of policies that will be in the President's next budget. All of the things in here will fit within his budget and, therefore, within the constraints of the balanced budget agreement.

You can look at this in three overall categories -- first of all, I should say that from the very first time President Clinton -- or at the time, candidate Clinton in 1992 -- spoke on major trade agreements, it was very important that he was setting a new economic vision on open trade, which was that he was rejecting those who called for resisting change through closing markets, or resisting globalization, but also resisting those who suggested that our strategy should be open markets, but every person for themselves.

Instead, the strategy is to have open markets, to try to tear down barriers, and to the degree that some Americans for any reason suffer dislocation, that we should have active efforts to help workers and communities adjust from change and be winners from economic change.

This proposal can be seen in three overall components that come to over $4 billion over five years. So let me be clear on what the numbers are. That is taking the amount that is above what is in our budget now and aggregating it over a five-year total, and that would come to about $4 billion -- a little over $4 billion over five years.

On the worker adjustment component, the first overall area, which Secretary Herman will speak in more detail on, there is number one, our series of reforms that Alexis has been instigating to make sure that worker training programs are working more efficiently, but in addition, there are a couple of holes that we are particularly trying to fill where people have fallen through the cracks in the past. One is that when there is a shift in production, when a company, when a factory closes and goes overseas to a country other than Canada or Mexico, the workers there are not covered. If that same company laid off people because of imports, those workers would be covered. That does not make sense to us and so we are calling for ensuring that workers are covered when a factory closes down and relocates overseas. And that would cost around $349 million over five years.

In addition, one of the accomplishments the President often talks about is that we have been able to double the funding for dislocated worker assistance. We're making a commitment to have a steady path of further increases so that five years from now we will have tripled where we were in 1993, and that would come to $750 million cumulatively over five years over our current baseline.

There is $250 million that is earmarked for another problem, which is that of what is called secondary workers, which means that when a company is hurt by trade there are suppliers, often small suppliers, who are hurt, some of their workers are affected. And these workers have been eligible for NAFTA TA but many did not know that. This makes sure that anybody in this situation be eligible for trade adjustment assistance, or NAFTA trade adjustment assistance. And we're making a commitment that in the discretionary funds there would be $250 million over five years set aside.

Now, I want to make clear -- that $250 million is set aside from current funds. So that is setting aside money to deal with the secondary workers. That is not new and additional funds beyond. The new and additional is the $750 -- and the $349.

In addition, in the actual fast track itself there is a two-year extension of trade adjustment assistance which costs $662 million. So that is the new funds that are part of the trade adjustment -- the worker training part of this package. In addition, there is a new trade adjustment assistance contingency program and that deals with the fact that often those who fear that in some way there could be some possibility that there would be greater need in the future -- this makes sure that if there is additional need for trade adjustment assistance that the door would never be shut on anyone, that funds would automatically trigger for trade adjustment assistance. And so this gives a guarantee to somebody voting for trade agreement that if for some reason things did not go as well as possible or there was a regional problem in a certain part of the economy, that there would always be funds available.

Those are the components that make up the first overall part, which is the worker training and retraining component of the package.

The second component of the package, which Secretary Daley will speak more of, includes $250 million in additional money over five years for a better coordinated effort on community adjustment on the domestic side. In the Defense Department there is an Office of Economic Adjustment that has been very successful in coordinating the government and local communities when there is a base closing. So in other words, they have project managers who are specialists in being team leaders on the ground who catalyze the grass roots and also come together and can coordinate an entire federal government effort.

Unfortunately, on the domestic side we have never been as coordinated as we have in the base closing side. And so what we are trying to do right now, and what this bill would do, is it would create a domestic equivalent of the Defense Department's Office of Economic Adjustment so that at the Commerce Department there would be an Office of Community and Economic Assistance who would make sure that the excellent work that's being done in

Labor, in Commerce, SBA, HUD, Treasury are coordinated so that when a community does lose a major industry, there can be a coordinated effort. And I think that is a major improvement and a major reform that we feel very good about and has been something we have been working on and discussing for several months.

In addition in the community adjustment part of the package, we are more than doubling the amount of paid in capital -- actual cash that goes into the NAD Bank -- North American Development Bank community assistance part. And this is money that is available to back up over $150 million in loans or microloans or for grant making. And this helps us make true some of the commitments that were made a few years ago that we feel we need to do more on concerning particularly border communities.

In addition, we're strengthening the environmental part of NAD Bank and improving the export assistance centers so that they're helping more small businesses with exports, particularly those who have not established a track record as of yet.

In addition, the third component is helping workers -- not just those workers in communities who currently benefit from an export economy and may go through an adjustment, but those workers and communities that do not currently have the opportunities or skills or availability of enjoying all the benefits of an export economy. And in doing that, we have several proposals that would be in the President's next budget.

One is that on the empowerment zone, as you know, we won another round of empowerment zones in the balanced budget agreement, but we only had the tax incentive part in. This puts money for grants for economic developments of $100 million a year, or $500 million over five years in here.

Secondly, as part of the youth development work force bill that is being considered now, we are -- Alexis Herman and I are very excited and enthusiastic about one particular part, the out-of-school youth opportunity act, which would provide $250 million, or over $1 billion over four years, to out-of-school youth between 16 and 24. This has been a very successful demonstration project at Labor, but we have been working in a bipartisan way to expand this and we want to make this a strong commitment. And this goes to some of the young people right now and makes sure that they are brought into the economic mainstream and see the opportunity to benefit from higher skills in education.

There are several other proposals in there, including one new tax incentive which is a tax provision for equity investors in specialized small business companies. This was a proposal of Congressman Jefferson that we had tried to get into the balanced budget agreement, but it had fallen out at the end and will be in our next budget.

Overall, before I turn it over to Secretary Herman and Secretary Daley, I think it's important to stress, lower market barriers abroad, more open trade has been a strong economic winner for this country. We've had historic job growth, 4.9 percent unemployment, 4 percent growth for the last four quarters, and an average of 3 percent growth for the entire period the President has been here. Open markets creates high-wage jobs; it leads to innovations; it keeps the cost of products low and consumer products low for American consumers. It is an overall economic winner.

But we also want to say that when we have a policy that is good for the economy as a whole, we still want to make sure that we are there, that this President is there and this government is there for those who would suffer dislocation even in a strategy that has overall positive benefits for the economy, and that's what this package is about.

Thank you.

Alexis.

SECRETARY HERMAN: Thank you, Gene.

Good afternoon. Let me take a few moments to explain to you briefly exactly how the initiatives that the Labor Department will administer will impact workers in the President's proposal that was announced today. First of all, we looked at this issue through the lens of the impact on workers who are basically dislocated because of trade, but also the impact on workers who are dislocated that is not a trade-related impact. We came up with two basic initiatives at the Labor Department to address both sets of workers.

The first set of initiatives speak to a series of reforms that we will engage in to strengthen, to enhance our existing programs to better service both workers. And the second category of initiatives comes under what I call enhanced assistance. Let me speak briefly to the reforms in the first area.

We are basically going to have four reforms in our existing programs. The first reform includes building on and increasing what we're calling our rapid response teams. I liken it to a FEMA situation where we have teams that will immediately hit the ground the day that we're notified that a plant is closing, or in some instances, we will be on the ground before that plant actually closes, so that we will be in a position to certify those workers to expose them to a range of options of what they will have available to them as real tools to help them get the retraining that they need, but more importantly, hopefully training that will lead to real jobs at the end of the day.

The second reform that we're engaging in is what I'm calling fast-tracking our own trade assistance certification programs. We are actually going to reduce the time that it takes to certify a plant that has trade impact and dislocation of workers by one-third, and we have already put those system in place and we expect those systems to be available to every governor in every state throughout the United States.

The third reform that we are executing is to make sure that we can actually measure the outcomes of our programs. Before at the Department of Labor, we know exactly what has happened to workers who have been dislocated because of non-trade issues. We know, for instance, through those programs, that those workers who have come through the dislocation programs at the Labor Department, virtually 72 percent of them get jobs at 95 percent of their previous wages.

What we don't know, oftentimes, is what has happened to workers who have been impacted by trade dislocation. We need to have the same measurable outcomes for those workers as well and to be able to go in go gauge the kinds of jobs that they are getting and at what level of pay in the future.

And then the last reform that we are executing includes closing the basic loopholes that exist in our programs to date. For instance, in our trade adjustment assistance programs for dislocated workers, you can actually get income maintenance support through the unemployment insurance office without necessarily having to go through any kind of retraining that leads to a job.

We think that we should be requiring training as well as income maintenance support in all of our programs, and so we're going to make sure that we put those kinds of initiatives in all of the programs that we are administering to assist dislocated workers.

Under the area of enhanced assistance, Gene has basically already spoken to the two initiatives that the Department will be engaged in. The first, of course, is beginning to look very specifically at secondary workers -- those workers who also lose their jobs because they are in situations related to a major plant, for instance, closing. So if you are a small business in the community or a subcontractor in a community that is providing services to a major plant that has closed down, and your operation can no longer be effective, and you have to lay off workers as a result of that, then these new initiatives will also ensure that those workers who we're calling secondary workers will not lose their jobs.

And lastly, of course, we're very excited about the opportunity to build on our out-of-school youth initiative and to make sure that as we talk about increased participation in this new economy that we don't have winners and losers, and more importantly, that we can especially prepare the young people for the future jobs that they are likely to hold and to know that enhanced education and skill development is going to be the prerequisite to getting the jobs of the future.

Thank you very much, and I will now turn to my colleague, Secretary Bill Daley.

SECRETARY DALEY: Thank you. As you may all know, we at the Department of Commerce Economic Development Administration have been working with communities to adjust the changing economic conditions for over 30 years. And under this President's strategy, as Gene has mentioned, there will be established the Office of Community and Economic Assistance within EDA, and this office will coordinate our federal response to trade-impacted communities. Therefore, it will build upon a very successful model which was employed in aiding local communities to adjust to the tremendous changes in the defense spending.

Learning from this adjustment experience, the Office of Community and Economic Assistance will provide planning grants and also their expertise to help communities develop credible economic adjustment strategies, and they will also bring appropriate state, local and federal groups to the table to provide adequate resources for implementing these plans.

It will be about $50 million a year total -- over five years, $250 million, but $50 million a year -- spread out between $10 million in putting the strategies together and about $40 million in the implementation.

We also at the Department of Commerce play a very important role in the export promotion of U.S. businesses. And our small businesses, which have been the engine of U.S. employment, are producing about three-quarters of the new jobs which have been created over the past few years. It has been obvious to those of us in the Department of Commerce, however, that although small businesses account for about 30 percent of the total manufacturing sales, they represent only about 13 percent of manufacturing exports.

So as part of this strategy to grow exports, we have created 100 export assistance centers around the country which will assist small businesses in their efforts to expand exports. And today we are committing to increase the volume of small business exports and thereby close this export gap, by, one, increasing by 20 percent the share of small businesses receiving export assistance, and, two, increasing by 20 percent the number of rural clients who benefit from export assistance; and third, by instituting new training efforts for all of our export assistance centers around the country to ensure that they will bring full bear, our full arsenal of trade finance and also promotion capabilities to these small and medium-sized businesses, which is as I stated -- are the engine of economic growth in our country today -- in employment.

Thank you very much.

Q Gene, you've got a lot of House members that are still sore about things they were promised in connection with NAFTA that they didn't get. Without any support from Republican leaders for the package you're announcing today, how can you assure that it's actually going to be enacted next year?

MR. SPERLING: We can ensure that it will be in our budget, it will be a priority, and that we'll fight hard for that. We are -- and this is a package; it's right out here. We're handing it out. We've worked with people. We've consulted with people. This is what we'll fight for.

I don't think that you can ever be sure you'll get every penny, even of your top priority, but I think our record has been pretty strong in the area of training and education when we have made something a priority. And I don't think a lot of Republicans are going to want to fight this type of strategy that tries to help people be winners from economic change during a time of dislocation. I met with several Republican members yesterday, and I think many of them will like several components of this plan. Senator Kempthorne came to our event today. So we're being as straight as straight can be. We're telling people exactly what we can do, what we can try to do, and what we'll fight for.

Q Secretary Daley, what are you telling Democrats who are still voicing frustrations about the aftermath of NAFTA and pointing to that as a reason for their opposition to this, saying that some of the promises made along with that have just not come through?

SECRETARY DALEY: We've pointed out that we believe NAFTA has been a success in the report that came out in July, the three-year report. I think we were very -- it was a very credible report that talked about the pluses and also the minuses in the North American Free Trade Agreement. So we've tried to address those concerns. Some of them are legitimate, obviously, and others are just kind of a reaction that in our opinion -- by people who may have been against NAFTA and were going to be against this anyway.

Q What about those who are saying, though, that the guarantees that are promised in side letters or announcements like the one you're making today -- actually, the guarantees are in side letters -- should be at the heart of trade treaties themselves rather than in side letters to those treaties?

SECRETARY DALEY: Well, the President has addressed -- if you're speaking specifically about labor and environment, as he did in the North American Free Trade Agreement, I've constantly reminded my Democratic friends, this is the first President ever to seriously address those two issues when he did in the North American Free Trade Agreement. That agreement was finished by George Bush, but this President wouldn't move it to the Congress until he got an agreement on labor and environment.

Some people can argue whether the environment of the Mexican border has been cleaned up over the last three years; we know it hasn't been. But there has been progress, and had NAFTA not passed, there would be no progress. And as the President stated today in the Oval Office, if fast track doesn't pass, there will not be one toxic site in the world cleaned up, nor one job created in the United States because of that failure.

Q Secretary Herman, how many displaced workers are you prepared to deal with through the programs?

SECRETARY HERMAN: We are prepared to deal with as many as we have to in terms of those that will be impacted. Presently, our existing program has serviced approximately 500,000 workers through the dislocated program in terms of the numbers that I gave of 72 percent reemployment and 95 percent for those who have gotten jobs at a previous wage rate.

But as we look at the opportunities, quite frankly, to do broader outreach and greater outreach under our trade adjustment assistance programs and our NAFTA assistance programs, that is where we know that we can deal with increased capacity, and we're doing that presently.

Q Are you expecting larger numbers than --

SECRETARY HERMAN: It is not so much the expectation of larger numbers as it is my belief that we have to do a much better job of managing the change that is occurring and has occurred, so that we don't lose these workers in terms of the opportunity to get in with an early intervention and to make a difference. We know that early intervention, in fact, makes a difference and reduces the number of long term unemployed in this country.

Q There's a lot of new spending in here. Have any Republicans indicated to you that they may actually end up opposing fast track because of this, the expansion of these programs, and are you concerned about that possible effect?

Q And what's the total of all these components --

MR. SPERLING: I went through that at the beginning, but it's about $4 billion over five years.

Q -- or is that reprogrammed or repackaged existing programs?

MR. SPERLING: No, that's above what would be in baseline, over five years.

Q What are the offsets then?

MR. SPERLING: Much of this is on the discretionary side, so we will have to fit it in our overall discretionary caps. But this is what will be in our budget, and, obviously, everything that's in our budget we will have to pay for, specifically. So there's nothing in here that we have not gone through our budget process on. We've really had to do almost a little mini-budget process to make sure that we can fit the things in here that we can. And we've tried to actually be conservative.

To the basic question, no, because I think that your question would have been right if we had said this is altogether an amendment to the bill. Then that would have required everybody who agrees with fast track to agree with everything in here. This is what we're going to put in our budget; this is what we're going to fight for. People will support some, people will oppose others; but they'll have their ability to do that in the regular budget context.

Q So no one has said that they would oppose -- none of the Republicans have said they would oppose fast track as a result of this --

MR. SPERLING: No, no, not that I know of. Not that I know of.

Q Who were you meeting with on the Hill?

MR. SPERLING: Right now? A member of Congress.

Q Can you talk about the timing of this? I mean, it seems like these are problems that certainly aren't new, they've been around since NAFTA. And all of a sudden, two days before this vote where you don't have enough Democrats you're coming out with this whole grab-bag of proposals. It kind of looks like you're in a desperate last-minute scramble to get this over the finish line.

SECRETARY HERMAN: Your lead statement was could I explain the timing of this given --

Q Why wasn't it done earlier?

SECRETARY HERMAN: Well, actually, the reality is that we have been working on this. This was one of my top priorities when I came in as Secretary of Labor, was actually to look at the impact of dislocation on workers that was trade related and non-trade related. So we have actually been in the process, in recent months, of putting a number of these reforms in place.

I will say, also, that this debate on fast track and consulting with the various members of Congress, my own travels throughout the United States, going into border communities has certainly added to our own information base and has helped to strengthen and to increase the impact of the proposals that we do have today.

Q Secretary Herman, the $750 million, I'm trying to understand what this money is going for. Since you already have a program that covers dislocated workers for a year, does this mean it's going to cover them for two years or is it going to give them more money? How's the money going to be spent?

SECRETARY HERMAN: Okay. There are two new initiatives in the dislocated worker program, as we have traditionally defined it. The first is to look at different strategies around shift in production that Gene talked about. The present NAFTA trade adjustment assistance monies only relates to shift in productions to Mexico and to Canada. It does not include, for instance, Singapore or the Dominican Republic. We believe that shifts in production should be included wherever there is a shift in production and a loss of jobs here. So that's one initiative.

The second area takes into account the secondary worker aspect that we talked about, so that if a small business is related to a major plant environment that is closed down, we believe that we should have the ability to reach those secondary workers as well.

Q -- what's $750 million?

SECRETARY HERMAN: What you're doing is you're taking the existing -- it's really different categories. You're taking the existing base of -- I don't have my figures in front of me; I'm doing this from my head -- I believe it's $580 million is the base there, and we're adding an additional $250 million in that component to reach the secondary workers. In addition to that, in terms of the new requests, we will be asking for $360 million to deal with the shift in production.

Q And the $250 million is for the fifth year, overall five years?

SECRETARY HERMAN: Right.

Q So it's only $250 million plus $360 million? It's not --

SECRETARY HERMAN: Right.

MR. SPERLING: It increases from $50 million a year.

SECRETARY HERMAN: -- $50 million a year over five years is how you get the additional $250 million.

Q And then the $750 million includes the $360 million?

SECRETARY HERMAN: No. That's new monies.

Q What is the $750 million going to be used for? That's my original question.

SECRETARY HERMAN: That's the dislocated worker money. That is actually to deal with the retraining and the traditional payment of benefits that goes to workers who get certified through those programs.

Q -- already, so why do you need --

SECRETARY HERMAN: Right, but the increase is that we're adding to that now. That's what we're doing.

Q Is this the two-year authorization you're talking about?

SECRETARY HERMAN: The two-year authorization plus the new request. We need to give you a chart on that so you can see it graphically. We'll give you a chart on that so you can see that graphically. It is complicated.

Q The unemployment rate, as Sperling remarked, is 4.8 percent, and the Federal Reserve is concerned the labor markets are too tight for the economy right now and are considering raising the interest rates. Why do you think the economy needs another spending program to help people find jobs when they apparently are finding them just fine as it is?

SECRETARY HERMAN: I think what's important to point out when you look at what is happening in the economy today -- and you're right, we have the lowest unemployment rates that we've had in two decades, 24 years -- but the reality is, you certainly have key communities throughout the United States that are still suffering with higher rates than the norm of unemployment. What we want to do is to better target our resources now and to go in with clearer micro-strategies, if you will, to make sure that we impacting those communities as well, so that everyone can, in fact, benefit from the gains that the economy is showing.

But you do have key communities that have not felt the broadly-shared prosperity that we're seeing overall in the nation today. These funds, these resources are designed to target those communities where we know we've had dislocation occur, where we know we've had trade impact, particularly as we look at some of our border communities today in the United States.

Q Secretary Daley, it looks like you're a lot further short of the support you would need to win a House vote than you were at this same stage in the NAFTA debate. Do you have enough time between now and Friday to make up the gap? And how do you think you're going to do?

SECRETARY DALEY: There is enough time to make up the gap. Neither side -- the bottom line is, neither side has 218 at this point. Obviously, if the opponents of fast track had 218, they would be out with the numbers. So neither side has it. It's going to go down to the wire, and everyone from the President, the entire Cabinet, the Republican leadership, and our Democratic friends who are working extremely hard -- I mean, we're just -- all we can do is just keep pushing for the next two days till the actual vote.

Q How many votes is this package worth?

SECRETARY DALEY: We would never look at such a package by votes. (Laughter).

THE PRESS: Thank you.

END

1:44 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 4, 1997

STATEMENT BY THE PRESIDENT

The Rose Garden

3:13 P.M. EST

THE PRESIDENT: Good afternoon. I just wanted to test our stamina in the cold this afternoon. (Laughter.)

I am very pleased that the Senate has voted with a very strong bipartisan majority to clear the key procedural hurdle to pass trade negotiating authority to expand American exports, create American jobs, and strengthen American leadership in the world.

Let me begin by thanking Senator Lott and Senator Daschle for their strong leadership and for the powerful arguments they made on behalf of fast track and our national interests. Today's vote shows that a bipartisan coalition for American leadership which has sustained us throughout this century can help us meet the challenges of the next century.

The case for extending fast track is plain. Our economy is the strongest in a generation, growing over 4 percent the last year with $125 billion of that coming from exports. The only way to continue to increase incomes and create jobs is to tear down more foreign barriers to American products and services. Foreign nations already enjoy open access to our markets. This legislation will give us the authority to increase access to foreign markets, especially in the fastest growing regions of the world.

The world economy is clearly on a fast track. If we don't seize these opportunities, our competitors surely will. An "America last" strategy is unacceptable. We have a unique obligation to lead. If we fail to lead on trade our influence will suffer in other areas important to our security, undermining the trend toward free markets and democracy in other nations, weakening especially our relationships in Latin America, damaging cooperation on issues from drug trafficking to immigration.

Now, in addition to this, of course, we should seek to raise labor and environmental standards in developing countries, and to stop abuses like child labor. But this legislation will give us more leverage in pressing those goals. We should seek to do much more in helping American workers and their families when their jobs are lost because of trade or because of technological change, and I will have more to say about that tomorrow. But we cannot raise our own living standards or improve labor and environmental conditions in other parts of the world by withdrawing. What we have to do is to continue to reach out to open more opportunities for Americans and to work with other countries to improve standards there.

In the coming days, I look forward to working with Speaker Gingrich and Representative Fazio. And I look forward to the same sort of determined congressional leadership that has borne fruit today. I call upon all the members of the House, without regard to party, to make the choice they know is the right one for America when they vote on Friday.

Thank you.

Q What do you plan to do about Iraq?

Q Mr. President, the Iraqis once again -- Saddam Hussein, in particular, seems to be raising questions about your willingness, your administration's willingness to break ranks with other U.N. Security Council members and possibly use military force in the face of this latest showdown with Iraq. What do you say to Saddam Hussein at this point?

THE PRESIDENT: Saddam Hussein should comply with the United Nations resolutions and he should allow us to resume the inspections. If he has nothing to hide, if he's not trying to develop weapons of mass destruction, then he shouldn't care whether Americans or anyone else are on the inspection team. This may be just another dodge. The resolution is clear, the inspection regime is unambiguous, and we have confidence in it and that's why we participate in it. And that's what he ought to do.

Q Mr. President --

Q -- his threat to target American flights over Iraq what your response would be?

THE PRESIDENT: That would be a big mistake. But the U-2 flights -- let me say, the U-2 flights, which you have reported on extensively in the last couple of days, are flights in which we are involved, but they are carried out under the authority of the United Nations for a United Nations purpose. And we will continue to consult with our allies on that.

But let me say again -- the world has an interest, stated in the United Nations Security resolution, in preventing Iraq from developing weapons of mass destruction. That's what this is all about. There is an inspection regime which has clearly been approved by the United Nations. And Saddam Hussein must restore respect and opportunity for that inspection regime. That's all this is about. And we have to be very firm about it.

Q Mr. President, what do you plan to do --

Q Mr. President, do you believe at this hour that the United States is headed toward a military confrontation with Iraq, or is this diplomatic mission likely to resolve things?

THE PRESIDENT: I believe at this moment, we should do everything we can to resolve this diplomatically, and we should reserve judgment. This ought to be resolved diplomatically. There is a procedure there, and the Iraqis should let it be carried out by the United Nations.

There was one other question.

Q How long will you wait, Mr. President?

Q Mr. President, what do you plan to do to save Bill Lann Lee's nomination, and is there anything you can do to overcome Senator Hatch's opposition?

THE PRESIDENT: Well, I'm disappointed in Senator Hatch's statement because I think everybody who knows Bill Lee believes he is superbly qualified to be head of the Civil Rights Division. The Civil Rights Division enforces the laws of the United States against discrimination, and we need a strong and nationally recognized leader in that position.

You know, in his hearing, no one could say anything bad about this man. I mean, here he is, the son of Chinese immigrants that's worked his heart out all of his life. He's devoted his entire life to fighting for equal opportunity and against discrimination. He is superbly qualified. And that's what I want to say -- how can anybody in good conscience vote against him if they believe that our civil rights laws ought to be enforced? That is a question that we will be pressing to every senator without regard to party.

I had thought there was a bipartisan consensus in the United States for enforcing the civil rights laws of America. I still believe there is in the country, and I think there ought to be in the Senate.

Thank you.

END

3:27 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 5, 1997

REMARKS BY THE PRESIDENT ON FAST TRACK TRADING AUTHORITY

The Oval Office

12:00 P.M. EST

THE PRESIDENT: Thank you very much. Mr. Vice President, Senator, members of Congress, thank you so much for being here. And to the members of the administration, thank you for your efforts on fast track.

The choice Congress confronts this week will profoundly affect our growth, prosperity, and leadership well into the new century, for Congress must decide whether to extend the President's fast track authority to negotiate agreements that tear down unfair trade barriers to our exports and create high-wage jobs in our economy.

Yesterday, a bipartisan majority in the Senate voted overwhelmingly to move forward on extending fast track authority. On Friday, the House of Representatives will vote on fast track, and I strongly encourage the House to take the same bold stand for America's future. A member of Congress who votes for fast track is doing the right thing for America.

If we turn our backs now on trade and fail to seize the opportunities of the global economy, our competitors will eagerly take our place. That is an "America last" strategy; it's unacceptable, it won't work.

The rejection of fast track won't create any new jobs or raise any American incomes. It won't advance environmental or labor standards abroad. It would reduce our ability to do both. And I think that is very important. By freezing the status quo we would simply be saying that we are going to freeze ourselves out of getting a fair deal in other markets; we are going to sit by while other countries get a better deal in other markets, and at the same time, we are going to reduce our influence on the labor and environmental standards of other countries and undermine our ability to continue to grow the American economy and create good, new jobs here.

Still, there are things that we have to do to try to continue to push the elevation of labor and environmental standards around the world as we press for open markets, and I believe we owe it to ourselves and our future to leave no one behind who is willing to work and learn in order to compete and win in the global economy.

Our social compact ever since I came here has always been opportunity for everyone who is responsible and a community in which all Americans have a chance. That's why we've worked hard with Congress to create a package of initiatives which I will include in my next budget to equip all people to reap the rewards of change.

We know that the technological and trade changes going on today favor people with higher skills. We know that they are accelerating the pace of change in our economy and indeed in every economy throughout the world. It is, therefore, imperative that we do more to make sure all our people have a chance to benefit from these changes.

First, we must greatly expand our efforts to help workers who lose their jobs because of technology or trade or other economic changes. At the suggestion of Congressman Bentsen, I'm going to establish a commission on workers and economic change in the new economy. Right now, we're going to commit to provide $750 million in additional funding to retrain dislocated workers. We want to create a special fund to guarantee that there will always be adequate resources to help workers hurt by trade. We want to target funds to help so-called secondary workers; that is, not only workers from a textile factory, for example, that might close, but those in a nearby button factory who supply the textile factory.

This is very important. Changes in the economy do bring job dislocation. Most of them come because of technology. Some of them come because of trade. Our efforts here, combined with what we have already done, will mean that while we were cutting spending and balancing the budget during my term of office, we tripled funding for dislocated workers continuing training, to move people back into the economy with the skills they need.

Second, we have to step up our efforts to help communities adjust to this new economy. We should provide more rapid, more comprehensive, more coordinated assistance from all the federal agencies in a way that is modeled on what we now do in our military base closure efforts, when we're trying to convert the bases to other uses. We should double the funds to help areas that have experienced major plant closings, and we should expand the development bank serving trade-affected areas.

Third, we must develop the untapped potential of our inner cities and rural areas, for too many of these places have not been touched by growth or dislocation. They need more investment. Our budget agreement doubles the number of empowerment zones, with tax incentives to invest in these rural and urban areas. But we must do more. We should increase loans for people who live in distressed rural and urban communities. We should make $100 million in flexible grants available every year in the new empowerment zones to attract new jobs and new small businesses. And we should provide for more skills training for young people in high poverty areas.

By giving a helping hand to workers at home and a strengthened hand to our negotiators as they open markets abroad we can bring more Americans into the winner's circle of the new economy. We can grow the economy and let more people participate in that growth. There's no reason why our nation cannot see to it that every American has the tools and conditions to succeed in this new economy. Our prosperity enables it; our understanding of the social contract demands it.

Now, the House faces a crucial vote on Friday. For me, the options are clear. We can rise to the challenges of the future, write the trade rules, continue our remarkable growth; or we can turn our back on the world and fail to compete for new markets, new contracts, and new jobs. I believe that the evidence is clear. We have produced over 13 million new jobs in less than five years, because we have expanded the ability of Americans to sell their products and services around the world. It would be a great mistake not to continue that.

We cannot afford to return to a mind-set that pretends that we can protect what we have now and never grow in the future. We must seize the opportunities of the future and take care of the people who have difficulties with change. We must do both, but we must do both.

Thank you very much.

Q Mr. President, you asked voters yesterday to send a message to Washington in the elections. What do you think the message was on the Republican victories?

THE PRESIDENT: Well, they won in places that they had before and we won in places we have before -- in the urban areas where we had elections. And I think the lesson of this year is that when the economy is up and crime is down, people believe the country and their states and their communities are moving in the right directions, and they tend to stay with incumbent candidates and parties.

I will say this -- I was surprised and terribly impressed by the remarkable campaign of Mr. McGreevey in New Jersey. And I was profoundly grateful for a vote which may well have some national significance in Houston, when the people of Houston voted to retain their affirmative action program in city contracting. I say that because that's a second version of the debate that was held in California, and I expect that debate will be held in other communities throughout the country. So that may or may not have national significance, but it might.

But the others -- I think economy is up, crime is down; people think the country and the states and the communities are going in the right direction, and the incumbents all benefit.

Q Could we ask your reaction to the announcement by Congressman Bob Barr this morning that he will ask for a resolution for a preliminary inquiry by the House Judiciary Committee into possible impeachment proceedings against you for, among other things, possible abuse of presidential power. What would your reaction to such a move be?

THE PRESIDENT: Well, Congressman Barr, if I remember, was the man who carried the NRA's water to try to beat the Brady Bill and the assault weapons ban. He's always had a rather extreme view of these things. I don't really have any comment on that.

Q Mr. President, going back to fast track --

Q Mr. President, on Iraq, sir, what do you think the signals should be -- what signals should Saddam Hussein take -- I'm sorry -- from the U.N. decision to postpone these U-2 flights over his territory?

THE PRESIDENT: Well, as I said yesterday, that was a decision for Mr. Butler to make. But if I were in his position I wouldn't draw too much of a conclusion from it. They want the United Nations group to be able to talk to Saddam Hussein and to be able to speak directly and frankly. But Mr. Butler has, in his tenure, has done a good job of doing the inspections, and he made it clear that the U-2 flights would be resumed. I personally felt that was important.

So I think that you've got to say that Mr. Butler's got a good record of doing these inspections, that he's aggressively determined to stop the development of a weapons of mass destruction program, and he did say the flights would be resumed. So if I were Saddam Hussein I wouldn't draw too much inference from it except to say they'd like to have a talk in the most open circumstances possible.

Q Mr. President, Congressman Goodling says you have an agreement on national testing. What is it and is it going to turn into a signable bill?

THE PRESIDENT: Well, I met with Congressman Goodling this morning, and I do want to thank him, because we have been working for weeks and weeks and weeks to try to work out his concerns and mine. He did not -- he told me months ago when we started talking about it he did not want to see an inordinate duplication of the efforts already undertaken at the state level and by some large school districts where they're already doing some kind of standardized test.

I said my concern was not to have -- was to have some sort of clearly accepted standard of excellence that all our children would be expected to meet in reading and math. And we believe, based on our conversation today, that we at least have an agreement in principle about how our students can master the basics and achieve higher academic standards and be measured for doing that, to hold children's educational performance to a uniform standard without undermining the efforts that are now going on in states if they actually do measure whether the children know what they need to know.

So the agreement was reached in principle, but there's some complexity in terms of just trying to get into language in terms of how this test would be evaluated compared to one another and what we propose to do in terms of research over the next couple of years. But the bottom line for the American people is I think we have opened the door to giving people in every state, every school district and every school the assurance that their children's performance in reading and math can actually be measured and be made meaningful in terms of what every child in America should know, so they will know how they're doing.

And if that -- if it can be done, I will be a very happy person, indeed. And I'm hopeful that we have done that. I say that just to give Mr. Goodling a little protection, and the President as well, just because we've reached an agreement in principle, we've got to turn it into the language. I'm very hopeful. This will be a huge thing, long-term, for American education if we have, in fact, worked this out.

Q Mr. President --

Q On Iraq, we get the impression that if you had your druthers, you'd rather have not had a break in these U-2 flights, that you understand why it's happened, but you don't think it's necessarily a great idea.

THE PRESIDENT: I don't think it's fruitful for me to second-guess Mr. Butler now. One of the things that I have seen in his -- he hasn't been there very long, but since he's been there he's been quite aggressive. And keep in mind what our goal is here. Our goal is to use these inspections to try to ensure that a weapons of mass destruction program is not developed. And since there is absolutely no reason to believe that Mr. Butler has been anything other than extremely faithful to his task, I think we should let these talks unfold.

I would have been disturbed if the flight had been suspended and there hadn't been a clear statement that they would be resumed shortly. But since he made a clear statement that they would be resumed shortly I think we have to give him the benefit of the doubt on this and let's see if we can work through it.

Q Did you compare notes with President Bush about your joint nemesis, your shared nemesis, Saddam?

THE PRESIDENT: It's interesting, when this whole issue first broke was when I was on my way over to the -- it was the night before I went over to the Washington Children's Hospital to be with General Schwarzkopf at the Starbright Foundation announcement, so we had some interesting conversations about it. And I've seen former Secretary Baker since then, and we're all commiserating, and obviously I asked these people for their advice about it.

But we just -- look, this is a frustrating policy, the one we're following, because it requires long-term patience and discipline. It's frustrating for him, it's frustrating for us, it's frustrating for everybody else. But, you know, there is a reason these United Nations resolutions were passed. There's a reason this inspection regime was set up. We think it's a bad idea for any more dictators who have shown aggression toward their neighbors to develop the capacity to have nuclear, chemical or biological weapons. We think it's a bad idea. And we know of no way to do that -- to avoid that in peaceful terms than to have some sort of inspection regime.

And as I said yesterday, the UNSCOM inspection regime has actually led to the destruction of more dangerous weapons than the Desert Storm did, because it's been done with great discipline over a period of years. So I would ask the American people and our allies around the world not to get too frustrated, to be patient, but to be firm, and let's try to hold on to this inspection regime, because that is the most peaceful way of dealing with this and permitting everyone to go on with their lives.

Q Are there days when you wish President Bush had gone --

Q One last question on fast track. Mr. President -- thank you -- there is a certain pocket of people who are affected through fast track, we understand -- blue-collar, low-income persons -- where education failed them from the beginning and they went into a trade. What do you say to those people who are losing -- plan to lose their job or expect to lose their job because of this?

THE PRESIDENT: I would say that we will continue to have some economic disruption in this country if we don't adopt fast track. If we don't adopt fast track -- our market is still the most open market in the world, the most competitive market in the world, and we have the most technological change, and we know that most job changes are caused by technology, not by trade, the vast majority -- so if we don't adopt fast track and we just sit where we are, a lot of those people will still confront the same challenges.

My argument is, adopt fast track, give me the power to create more jobs by opening markets, but also do more for those folks. Our programs were organized for a time when the economy didn't change as quickly as it does now. So Secretary Herman, for example, has worked very hard to radically accelerate our response time and to get all these programs working together the way we worked when a military base is closed. That's what we're trying to do.

So my answer would be, we should invest more money to give you more training more quickly and to give you more support while you're going through it. We should put more money into those communities where no economic benefit or burden has been felt because there has been no new investment one way or the other. But that's not a reason not to continue to expand trade. What we should do is both.

The way to preserve the social compact in America is to create more opportunity and then take more responsibility for preserving families and communities. Our policy is the right one. But we will not create or save jobs in the short run or the long run by refusing to open markets to our products. We will not raise labor and environmental standards abroad. We will lose our ability to do that. We will lose our leverage if we decline to open new markets for American products. This increases our political influence on labor and environmental and other issues, even as it opens up our economics.

But the main thing is, I just ask the American people to give me the benefit of the doubt on this. We have worked for five years. We have created over 13 million jobs; we have reduced the deficit by over 90 percent before the balanced budget checks in. In the last two years, more than half our new jobs have come in high-wage categories, and a third of the growth has come because of trade. This is our only strategy. We're only 4 percent of the world's economy, we're trying to hold on to 20 percent of its income -- we've got to sell more to other people. There is not an option. And refusing to do it won't save jobs, won't keep incomes up and won't help us help other people around the world.

Thank you.

Q Do you worry about the impact on the stock markets if fast track fails -- global markets?

THE PRESIDENT: Well, let me say if it passes, I think it will have a very positive impact on the stock market here and around the world.

END

12:20 P.M. EST

Clinton to Unveil $1 Billion Worker-Aid Plan

By Bob Davis
And David Rogers
Staff Reporters of The Wall Street Journal

WASHINGTON – The White House, struggling to overcome opposition in the House to renewing "fast-track" trade authority, plans to unveil today a $1 billion package to aid workers and communities harmed by trade.

The size of the proposal is about twice the amount the administration had previously discussed. It includes $750 million over five years in additional income support and retraining for workers laid off because of foreign competition or technological change. The White House also plans to create an Office of Community and Trade Adjustment, with a five-year budget of $250 million, to help communities rebound when big, local employers shut down because of import competition.

It is far from clear, however, that the administration will be able to win approval of budget increases large enough to pay for an aid package that size.

Victory in the Senate

The White House clearly hopes to generate momentum for fast track – which allows the president to negotiate trade agreements unencumbered by congressional amendment–after a Senate victory yesterday. In a 69-31 vote, the Senate limited debate on a preliminary motion to take up the bill, which has split Democrats and provoked strong labor opposition. But the administration still faces many hurdles going into Friday's showdown vote in the House, where opposition is more fierce.

There, the Republican leadership is trying to capitalize on the administration's situation by demanding concessions of its own. While the White House is resisting, in these final days before adjournment the trade bill can't escape being affected by the give-and-take on spending bills.

And in the rush to go home, the GOP is prepared to add sweeteners of its own, including $3.5 billion requested by the administration to meet U.S. commitments to the International Monetary Fund.

Key Support

"I think [fast track] stands on its own right and its own merit," said White House Chief of Staff Erskine Bowles, who came to the Capitol prior to the Senate vote. But the administration is trying to sway fellow Democrats individually by promising trade concessions and worker-training funds.

Yesterday, the White House picked up the support of the wine industry, which is influential with California's large House delegation. The industry says it is confident that provisions in the House bill requiring the president to compare U.S. tariff levels on agriculture products with those abroad will slow tariff cuts on imported wine.

The worker-adjustment plan is aimed at picking up support from lawmakers representing districts harmed by trade competition, especially Hispanic and black communities. For instance, the White House plans to earmark $250 million over five years for so-called secondary workers. Those employees, often minorities, work for suppliers to factories that close as a result of trade competition. The Labor Department also plans to increase efforts to reach Hispanic workers, who often aren't aware of training programs.

Time to Compromise

However, many members of the 18-member Hispanic caucus still oppose fast track because they consider the plan inadequate, especially provisions to increase funds for a development bank set up under the North American Free Trade Agreement. The administration wants to triple, to about $60 million, the appropriated funds, but lawmakers contend that still doesn't match the Nafta promise. The administration strongly disagrees.

Although the strength of yesterday's Senate vote seemed to clear the way for passage of fast track in that chamber, it doesn't erase the fact that the chamber's procedural rules still give opponents ample opportunity to delay final action.

Senate Majority Leader Trent Lott has been most forceful in this regard. In a slap at his House counterparts, the Mississippi Republican said it was time for "leaders to show leadership" and make the compromises necessary for Congress to finish its business.

Lawmakers can't leave without resolving four spending bills that provide hundreds of billions of dollars for everything from foreign aid to six cabinet departments and Washington's local budget. As now written, each faces a threatened veto because of ancillary provisions added by conservatives to restrict the president's power to carry out various initiatives.

ROCKWELL INTERNATIONAL CORP.

Pact Is Reached to Acquire Unit of Hughes Electronics

Rockwell International Corp., taking a big step into the flight-entertainment business, said it agreed to acquire a unit of Hughes Electronics Corp. for terms that weren't disclosed. The unit, Hughes-Avicom International Inc., has about 1,200 employees and expected 1997 sales of about $120 million, Rockwell said. It will become part of Rockwell's Rockwell-Collins Inc. unit, a maker of aircraft instruments. Hughes-Avicom makes elaborate systems that include the display panels for movies now installed in seatbacks on many airliners. Rockwell, based in Costa Mesa, Calif., said it expects its Semiconductors Systems division to work with Rockwell-Collins to develop more elaborate systems. Clay Jones, executive vice president of Rockwell-Collins, said Hughes-Avicom, which is based in Pomona, Calif., holds about 25% of the world market for current entertainment systems. Hughes Electronics is a unit of General Motors Corp.

Gaylord to Shu… Its Opryland Pa… Resulting in Ch…

By a Wall Street Journal *St*…

NASHVILLE, Tenn. – Gay… **tainment** Co. said it will clos… Opryland theme park, and en… partnership with **Mills Corp.** to… the property as an entertainme… shopping mall.

The closing, Gaylord said, w… a fourth-quarter charge of be… million and $35 million.

Under the agreement, Gay… contribute 40 acres of the 65-acre… complex for redevelopment, w… will invest $200 million in the proj… is an Arlington, Va., real-estat… ment trust. Gaylord will hold a … interest in the new developmen… Mills will control two-thirds.

Gaylord's other Nashville pr… adjacent to Opryland, including th… Ole Opry and the 2,900-room O… Hotel, will remain open.

Gaylord, a music and enterta… company, said it will record the o… charge in the fourth quarter to write… majority of the park's fixed asse… provide for other costs of the closin… charge will result in a fourth-quarte… although the company declined to est… a figure. For the 1996 fourth quarter,… lord reported net income of $11.4 milli… 35 cents a share, on revenue of … million. The company's spokesman … Gaylord's loss of operating income … Opryland will be made up for thr… development fees the company will re… from the project beginning in 1998. … company wouldn't disclose the amoun… those fees.

The new 1.1 million-square-foot sh… ping complex, to be called Opry Mills, … open in 2000, according to Gaylord.

In New York Stock Exchange compos… trading yesterday, shares of Gaylord r… 81.25 cents to close at $29.8125.