NAFTA NOTES FROM THE WHITE HOUSE

Texas Agricultural Market Research Center (TAMRC) Information Report No. IM-4-94, by TAMRC Staff including Hope Bay, Karen DeFrehn, and Jennifer Fox, May 1994, Texas Agricultural Market Research Center, Department of Agricultural Economics, Texas A&M University, College Station, Texas 77843-2124.

ABSTRACT: This report contains the notes released by the White House concerning NAFTA during the period of September 15, 1993 through October 28, 1993. This document was retrieved for reference purposes using Gopher access to Internet at the Albert R. Mann Library at Cornell University.

The Texas Agricultural Market Research Center (TAMRC) has been providing timely, unique, and professional research on a wide range of issues relating to agricultural markets and commodities of importance to Texas and the nation for more than two decades. TAMRC is a market research service of the Texas Agricultural Experiment Station and the Texas Agricultural Extension Service. The main TAMRC objective is to conduct research leading to expanded and more efficient markets for Texas and U.S. agricultural products. Major TAMRC research divisions include International Market Research, Consumer and Product Market Research, Commodity Market Research, and Contemporary Market Issues Research.
Wednesday, September 15, 1993

This will be the first of a series of daily briefings on the administration’s campaign to approve NAFTA.

NAFTA Kick-Off

President Clinton strode into the packed East Room of the White House with former Presidents Bush, Carter and Ford on Tuesday to launch a vigorous, administration-wide campaign to fight for the North American Free Trade Agreement (NAFTA). In strong remarks, he defined the debate -- that we will only generate jobs by competing, not retreating -- by stating "this debate about NAFTA is a debate about whether we will embrace these changes and create the jobs of tomorrow, or try to resist these changes, hoping we can preserve the economic structures of the past."

Addressing the concerns of those who fear the effects of NAFTA, the President stated, "it is clear that most of the people that oppose this pact are rooted in the fears and insecurities that are legitimately gripping the great American middle class. It is no use to deny that these fears and insecurities exist. It is no use denying that many of our people have lost in the battle for change. But it is a great mistake to think that NAFTA will make it worse. Every single solitary thing you hear people talk about that they're worried about can happen whether this trade agreement passes or not, and most of them will be made worse if it fails."

The event -- attended by over 300 guests including nine state governors and sixty members of Congress, as well as business and community leaders from around the country -- showed that support for NAFTA is picking up steam. Former Presidents Bush, Carter and Ford each spoke to the gathering in a
demonstration of the bipartisan support for NAFTA.

The pact was also endorsed by major environmental groups including the Natural Resources Defense Council, Audobon Society, Environmental Defense Fund, National Wildlife Federation, and the World Wildlife Federation. In endorsing the NAFTA and the side accords, Environmental Defense Fund executive director Fred Krupp stated, "[f]or the first time we have specific commitments in a trade agreement to improve enforcement of environmental laws and cooperation on environmental problem solving in North America."

NAFTA Fact
Due to present Mexican laws, American automobile manufacturers must produce most cars that they sell in Mexico, keeping present U.S. auto exports to Mexico under 1,000. After NAFTA, these companies expect to sell 60,000 American-made cars to Mexico in the first year alone.
President Clinton Travels to New Orleans

The President travelled to New Orleans continuing his push in support of the North American Free Trade Agreement. Speaking before an enthusiastic crowd, Clinton spoke of NAFTA not only being good for American jobs, "but the opportunity for us to get off the defensive in our economic policies and go on the offensive and try to build a world in which there are more opportunities for Americans not only for good jobs, but for growing incomes."

Returning to the port that President Kennedy had dedicated three decades earlier, the President spoke of Kennedy's "vision of America that knew no limits; who believed that we ought to face our challenges, that we ought to look outward to the world, that we shouldn't hunker down; that we compete and win with any people anywhere on Earth. It is time that we reestablish that belief, that conviction, that commitment." President Clinton was joined at the event by Senator John Breaux, Governor Edwin Edwards, and eight House members.

Nine members of the Cabinet fanned out across the country to join the President in promoting the benefits of NAFTA. They will be conducting scores of press interviews, and meeting with community leaders in a dozen cities: Bentsen--Chicago; Babbitt--San Francisco, San Jose and Los Angeles; Browner--Orlando; Tyson--Boston; Cisneros--Baltimore; Brown--Pittsburgh; Pena--Miami; Reich--New York; Espy--St. Louis.

Environmental Groups Join VP Gore, Sen. Baucus to Endorse NAFTA

Six national environmental groups endorsed NAFTA in a meeting with Vice-President Gore, Senator Max Baucus, EPA Administrator Carol Browner and USTR Mickey Kantor on Capitol Hill yesterday. Speaking to the gathering, Sen. Baucus said that
NAFTA "is truly a new breed of trade pact. NAFTA certainly makes progress on commercial fronts; but, unlike any other trade agreement, it also protects the interests of the environment and labor."

Endorsing groups: National Wildlife Federation; World Wildlife Fund; Audubon Society; Environmental Defense Fund; Natural Resources Defense Council; Conservation International.

**NAFTA Fact**

On June 21, General Motors and the United Auto Workers announced that GM would shift 800 to 1000 jobs building Chevy Cavaliers from Mexico to its plant in Lansing, Mi. to serve growing demand in the U.S. and Canadian markets.
President Addresses Hispanic Congressional Caucus Institute

President Clinton addressed the annual dinner of the Hispanic Congressional Caucus Institute last evening, and discussed NAFTA along with the rest of his fall agenda. The President noted that Latin America is presently the second fastest growing region of the world (behind Asia) and stated "the reason I want to do [NAFTA] over the long run is I want to keep the movement to democracy, I want to keep the movement for economic growth, I want Americans to prosper by helping our friends and neighbors in this hemisphere to build a stronger world."

The President recognized that there is disagreement over NAFTA, and that change is never easy, but then stated "I believe that it is in the interest of this country ... not to turn away from the change but to embrace it -- not because it will be easy, not because nobody will be hurt, but because on balance we'll be better. ...we cannot make the perfect solution the enemy of the better solution. That is why I have embraced this course and why I hope others will as well."

Daley's NAFTA Group Up and Running

The President's campaign to support the NAFTA got off to a running start this week with the signing of the side accords, his trip to New Orleans, and his remarks last night at the Hispanic Caucus dinner. To further the administration's campaign, the head of the President's NAFTA efforts, William Daley, has put together his operation in the White House to do press, outreach, scheduling, legislative operations, as well as executive branch coordination (as well as produce NAFTA Notes). Along with the President's trips, Cabinet members will be travelling to present the benefits of NAFTA to working men and women across the country.
(nine Cabinet members were out on the road this week alone).

Trade Hawk Clyde Prestowitz Changes Position On NAFTA

As reported in the Wall St. Journal, the Economic Strategy Institute's Clyde Prestowitz, in a switch from his previous position, called NAFTA a job-gainer, saying, "I think in the long-run [NAFTA] will be a plus." Last fall, Mr. Prestowitz had predicted that jobs would be lost with NAFTA; the reason for his change is the belief that more U.S. companies will shift plants from Mexico and return to the U.S. now that companies can sell to the Mexican market without producing there.

Earlier this week, Senator Max Baucus (D-MT) endorsed NAFTA along with six national environmental groups. This was unprecedented environmental support for a trade agreement.
Democratic Senators Endorse NAFTA

In a Senate press conference this afternoon, two previously undecided Senators, Jeff Bingaman (D-NM) and Harlan Mathews (D-TN), publicly announced their endorsement of NAFTA. "The NAFTA process provides us with an excellent opportunity to identify resources for addressing the state of the Rio Grande and other pressing environmental and health issues along the border," Senator Bingaman said. Senator Mathews called NAFTA "an opportunity to become more prosperous and secure by becoming more productive and more competitive."

The announcement was arranged by Senator Bill Bradley (D-NJ), who heads the Senate's informal NAFTA whip organization.

"Trade Hawk" Clyde Prestowitz Takes Second Look, Endorses NAFTA

In an extended op-ed article in Sunday's Washington Post, on NAFTA subtitled "How I Overcame My Doubts and Learned to Like the Pact," former Reagan Administration trade official and acknowledged "trade hawk" Clyde Prestowitz reversed his position, writing that while at one time he had great concerns, "I believe the time has now come for Congress to ratify NAFTA."

"Under the terms of NAFTA," Prestowitz writes, "we are giving away very little. The barriers being removed are mostly on the Mexican side. Ironically, their removal may actually reduce incentives for U.S. firms to move south." Without NAFTA, Prestowitz argues, it is only logical for U.S. producers of, say, minivans to export the excess production of their Mexican plants (which are required by pre-NAFTA Mexican law in order to sell in Mexico) back to the U.S. With NAFTA, the Big Three could shift their minivan production back to more efficient U.S. plants. NAFTA isn't perfect, Prestowitz concludes, but "even with its
imperfections, NAFTA will leave America better off than before."

NAFTA Flash Facts Hotline
Flash Facts is an automated information system available seven-days-a-week, 24-hours-a-day. Flash Facts receives telephone (touch-tone) inquiries and faxes printed material from the Department of Commerce's library to your fax machine free of charge and within minutes. Call: (202) 482-4464.

NAFTA Fact
Over 300 economists, including 13 Nobel Prize winners, have endorsed NAFTA as a net job-gainer for the U.S. economy.
Caucus Vice Chair & DCCC Chair Fazio, Freshman Rep. Endorse NAFTA

In a House press conference this afternoon, House Speaker Thomas Foley was joined by members Vic Fazio (D-CA), Vice Chair of the House Democratic Caucus and Chair of the Democratic Congressional Campaign Committee, and Freshman Rep. Jay Inslee (D-WA) to publicly endorse NAFTA. In voicing his support Fazio said, "California stands to gain 30,000 to 40,000 jobs over the next two years, and the country gains 200,000 jobs after the enactment of NAFTA." Arguing that NAFTA was a "unique" opportunity for the U.S., Fazio said, "if we don't take it, if we allow others like the Japanese and Europeans to take it, they will not only have been able to cement their own trading blocks, but destroy the chance we have to put America's trading blocks together, giving ourselves an opportunity for the long haul, for the future."

Freshman Rep. Inslee stated that he was "optimistic [NAFTA] is going to pass because it is my experience that when the truth is told about NAFTA and the truth reaches the American people, the American people will support it."

Other members attending were Robert Matsui (D-CA), the Majority Whip at Large who is rallying NAFTA votes in the House, Chairman Sam Gibbons of the House Ways & Means Trade Subcommittee and Reps. David McCurdy (D-OK), James Moran (D-VA), and David Skaggs (D-CO), as well as Democratic National Committee Chair David Wilhelm.

In a long-expected move, Rep. Richard Gephardt (D-MO) announced that he will oppose NAFTA. While he was critical of aspects of the agreement, Gephardt praised the administration's "important progress" in certain areas such as having minimum wages, child labor, and health and safety covered under the dispute settlement system, as well as Mexico's unilateral pledge
to tie minimum wages to productivity. When asked about Gephardt's opposition, White House Spokesperson Dee Dee Myers said "we knew this fight wouldn't be easy. When we began we knew that even some in our own party would oppose us. But it's the right thing to do; it's good for jobs, and good for America."

Senate Majority Leader George Mitchell said that he would make a statement in support of NAFTA, "so we have one majority leader for it and one against it today."

**NAFTA Fact**

With the implementation of NAFTA, the Commerce Department estimates that the Big Three automakers could see $1 Billion in new sales to Mexico in the first year of the agreement. This translates into 15,000 jobs in the auto and supplier industries in the first year alone.
Kantor, Espy, Reich Testify on Capitol Hill

   Yesterday, U.S. Trade Representative Mickey Kantor and Secretary of Agriculture Mike Espy appeared before the Senate Agriculture Committee at a hearing on the NAFTA. In his remarks, Ambassador Kantor discussed Mexico's many agricultural non-tariff barriers stating: "In our bilateral relationship, the maintenance of these non-tariff barriers helps Mexico much more than it helps us. Conversely, the elimination of these barriers will be more beneficial to the United States than to Mexico." Kantor testified that the passage of NAFTA will sweep away these and other barriers, greatly increasing U.S. agricultural exports to Mexico.

   Secretary Espy picked up on Kantor's theme of increased exports, and testified that since 1986 when Mexican President Salinas first came into office and began reforms, "we had export sales there of about $1 billion, and just by [Salinas'] unilateral actions, we've seen almost a quadrupling in the U.S. presence in their agricultural market [to $4 billion annually]." With NAFTA and the removal of the remaining Mexican barriers to U.S. agricultural products, Espy testified "for the first time, we will be dealing on a level and on a fair playing field" with a market of 90 million Mexican consumers.

   Labor Secretary Robert Reich also testified before the Senate Finance Committee yesterday regarding NAFTA labor issues. Addressing the concern that low Mexican wages would draw U.S. manufacturing jobs south, Reich argued that many factors other than wages impact a company's investment decisions, concluding "[i]f low wages were the key to where manufacturers located, manufacturers would be locating in Bangladesh and Haiti. Those would become the manufacturing capitals of the world."

   Mitchell, Bradley, Baucus Reaffirm Support of NAFTA
In a Senate press conference yesterday afternoon, Senate Majority Leader George Mitchell joined Senators Bill Bradley (D-NJ) and Max Baucus (D-MT) in reaffirming their support for NAFTA and responded to Rep. Richard Gephardt's (D-MO) announced opposition. Mitchell expressed his "belief that the NAFTA will be good for Maine, good for the country and will be approved by the Congress." Sen. Max Baucus, Chair of the Senate Committee on Environment and Public Works and the Senate Finance Trade Subcommittee, said "I have the utmost respect and admiration for Dick. ...But he is simply wrong on this issue." Baucus continued, "I have the utmost confidence that, after the smoke clears, after the dust settles, and the American people and the Congress know more about the facts and less about the rhetoric, that NAFTA will pass. It will pass this, and it will pass both bodies."
U.S. Capital Goods Exports -- The Real Story

One of the strongest arguments for NAFTA is that it will continue the growth of U.S. exports to the dynamic Mexican market. In the past five years, the U.S. has gone from a $5.7 billion trade deficit with Mexico to a $5.6 billion surplus. NAFTA critics, however, point out that much of that surplus is made up of capital goods -- and claim that this is nothing more than taking apart American factories and sending them south to Mexico. But this claim misses the real story behind U.S. capital goods exports.

In percentage terms, capital goods have been the slowest growing major export category to Mexico in the last five years. While capital goods are still the largest component of U.S. exports to Mexico, they have decreased from 40 percent of total exports to Mexico in 1987 to 33 percent in 1992. In comparison, capital goods make up 40 percent of our exports to developing countries, and 39 percent of our exports to the world.

The flawed logic that assumes that capital goods are merely a one-time export which will produce a flood of cheap imported goods flowing back into the U.S. misses the point. Capital plant equipment exported to factories in Mexico should not be seen in negative terms for the American economy. Production of cutting-edge technology such as robotics, generators, and production machinery supports the highest-paying U.S. manufacturing jobs; just as importantly, a healthy, expanding Mexican economy will continue to need such high-tech U.S. products. Even the U.S., the world's most productive economy, must replace a part of its capital equipment each year.

Additionally, capital goods are some of our most competitive exports and cover many things other than capital plant equipment: Boeing jets, IBM computers, AT&T telephone systems, John Deere
tractors. The manufacture of all of these U.S. products support high-paying U.S. jobs, and cannot be construed as a drag on the U.S. economy.

Finally, and perhaps most importantly, without NAFTA Mexico has no incentive not to fill its growing capital goods needs from Japanese and European -- rather than U.S. -- exports.

NAFTA Fact
83 percent of the growth in U.S. exports to Mexico in the last five years was for Mexican consumption -- not re-export. Additionally, in those five years exports to maquiladoras in relation to total U.S. exports to Mexico have fallen. In 1992, U.S. exports to maquiladoras comprised 22 percent of U.S. exports to Mexico, compared to 32 percent in 1987.
Friday, September 24, 1993

Court Rules in Administration's Favor on NEPA

* In a ruling handed down this morning, the three judge panel of the Court of Appeals for the District of Columbia announced its unanimous decision that the National Environmental Policy Act (NEPA) does not require the Clinton Administration to prepare an environmental impact statement in connection with the NAFTA. The court ruled that "because we conclude that NAFTA is not "final agency action" under the APA, we reverse the decision of the district court and express no view on the government's other contentions.

* Returning from his trip to Florida, President Clinton said, "First, I applaud this decision. And second, I want to emphasize that if this agreement goes through, it will lead to improvements in the environment and increased investment on the Mexican side of the border in environmental cleanup." This decision reversed the June 30 decision of Judge Charles Richey, which had raised uncertainty about the Administration's ability to go forward and seek Congressional approval of NAFTA.

* In a press briefing -- by NAFTA Coordinator William Daley, USTR Mickey Kantor, EPA Administrator Carol Browner, Associate Attorney General Webb Hubbell and Under Secretary of State Tim Wirth -- Ambassador Kantor said that the Administration was "gratified" by the court's decision to overturn Judge Richey's ruling, and noted "that the Richey decision raised in the minds of many the feeling that NAFTA could have an adverse impact on the environment. Nothing could be further from the truth." EPA Administrator said, "I welcome the court's decision because the decision is good for NAFTA, and NAFTA is good for the environment," and called NAFTA "the most environmentally sensitive trade agreement in history."
* Senator Max Baucus (D-MT), Chair of the Senate Environmental and Public Works Committee and the Senate Finance Trade Subcommittee, said: "Today's decision removes a potential procedural roadblock for NAFTA. Coupled with last week's send-off at the White House, NAFTA is on a winning streak -- not a long one -- but a winning streak nonetheless." Rep. Ron Wyden (D-OR) called the environmental side agreement "an unprecedented linking of environmental protection to trade", and said the decision cleared the way for Congress to decide the real question on NAFTA: "Isn't it better to pass this NAFTA that permits monetary penalties and trade sanctions for environmental violations, than to sit by while pollution increases under the status quo?"

NAFTA Fact
* The six national environmental groups that have endorsed NAFTA represent 7.5 million members, some 80 percent of those belonging to environmental groups.
President Addresses UN, Cites NAFTA in Outline of Global Vision

* In a speech before the opening of the United Nations General Assembly, President Clinton outlined his vision of America's role in the post-Cold War world. Discussing the challenge facing the world's governments, the President stated "[f]rom beyond nations, economic and technological forces all over the globe are compelling the world toward integration. These forces are fueling a welcome explosion of entrepreneurship and political liberalization. But they also threaten to destroy the insularity and independence of national economies, quickening the pace of change and making many of our people more insecure."

"In a new era of peril and opportunity, our overriding purpose must be to expand and strengthen the world's community of market based democracies," the President asserted. "We will work to strengthen the free market democracies, by revitalizing our economy here at home, by opening world trade through the GATT, the North American Free Trade Agreement and other accords, and by updating our shared institutions." The President warned, however, that "putting each of our economic houses in order cannot mean that we shut our windows to the world," and that the world's governments "must help our publics to understand this distinction: Domestic renewal is an overdue tonic. But isolationism and protectionism are still poison. We must inspire our people to look beyond their immediate fears towards a broader horizon."

* In taking questions from reporters on his return from Florida last Friday, the President was asked if NAFTA conflicted with his plans to reform health care. The President disagreed with the assertion that NAFTA and health care conflicted, "NAFTA is on a much faster time track ... the health care debate is on a
different time table." The President stressed that NAFTA had a
limited window for debate, stating "I will be spending a
significant amount of time everyday calling members of Congress
in both parties trying to line up support and working on other
people like Mr. Iacocca, to try to get them to speak out for us,
and working on bringing people into this debate who are selling
things to Mexico and people whose jobs depend on it to show that
its a job winner".

Former UAW President Fraser Endorses NAFTA
* As reported in the Washington Post today, Former United
Auto Workers President Douglas Fraser endorsed NAFTA before an
audience at the Georgetown University Law School last Thursday
evening. In his remarks, Fraser was quoted as saying "I happen
to believe that NAFTA will uplift our country, uplift the
Mexicans and make them better customers for American products."
The former union leader said that opposition to NAFTA was "based
upon emotion, admittedly, and fear, and insecurity ..."
NAFTA NOTES

Thursday, September 30, 1993

President Unveils Plan Stressing Link Between Exports, Jobs

* "I don't believe that a wealthy country can grow much richer in the world we're living in without expanding exports," President Clinton said yesterday. "I don't believe you can create jobs ... unless we can increase the volume of exports in this country." The President spoke to a group of U.S. business leaders at the White House, announcing the Trade Promotion Coordinating Committee's report designed to lower barriers to exports and streamline the Government's efforts in export promotion. In his remarks, the President said "it's very important to see this announcement today in the context of our administration's support of the NAFTA agreement. It would also open up our export opportunities, not just to Mexico, but throughout all of Latin America."

* Since 1988, exports have accounted for 58% of U.S. GDP growth.

* Today, the U.S. exports $600 billion in products, supporting 7 million American jobs.

* The export initiative announced by the President is designed to boost that to $1 trillion in exports, supporting some 13 million American jobs by the year 2000.

* Such export-related jobs pay on average 17 percent more than non-export-related jobs. (Source: Department of Commerce)
* The President asserted "that anyone who has seriously looked at the NAFTA dynamics, the specifics of the NAFTA agreement, will actually alleviate all the complaints that people have who are attacking it." He reminded his audience that "[t]his export strategy we announced today assumes that we have people to sell to. ... We have to keep reaching out to tear down these barriers, to integrate our economies in ways that benefit Americans."

* Commerce Secretary Ron Brown, who chaired the Interagency Committee which produced the report, stated: "A more effective export strategy can easily result in over one trillion dollars in exports and six million additional jobs by the year 2000." The report contains 65 specific recommendations for revamping and stream-lining U.S. export promotion activities. The initiative would create "one-stop shopping" for small and medium size exporters by consolidating the resources of Commerce, the Export-Import Bank and the Small Business Administration in one place; coordinate the resources of the Administration for export promotion activities; as well as easing controls on certain high-tech exports.

NAFTA Fact

* Because of current Mexican import restrictions (which NAFTA eliminates) U.S. automakers today export more vehicles to Japan than they do to Mexico.
NAFTA Notes

Friday, October 1, 1993

Ways & Means Trade Subcommittee Approves NAFTA

* Yesterday, NAFTA cleared the first hurdle in the legislative process. In a voice vote in the House Ways & Means Subcommittee on Trade, implementing legislation on NAFTA was approved without objection. It now moves on to the full Committee for consideration.

New Poll Shows NAFTA Support

* In a Times-Mirror poll released today, a plurality of those polled voiced support for the NAFTA. 42 percent of those polled supported NAFTA, while 37 percent opposed and 21 percent didn't have a position. This is a shift from before the President's remarks at the signing of the NAFTA side accords. In polls done before the President's strong speech two weeks ago, those opposing NAFTA outnumbered those supporting by 36-25 in a Wall St. Journal/NBC poll, and 41-35 in a CNN/USA Today survey.

* Today, the President will be meeting with Members of Congress, continuing his efforts in support of NAFTA. In addition to the numerous phone calls to lawmakers, the President has been actively working to build support for NAFTA: Last Friday he strongly applauded an Appeals Court ruling overturning the decision which required an environmental impact statement before sending NAFTA to Congress -- the last procedural hurdle; last Monday, the President discussed NAFTA as part of his global vision in an address to the opening of the General Assembly of the UN; and Wednesday he stressed the link between exports, jobs, and NAFTA in his announcement of the Administration's new export initiative.

California Reps. Beilenson, Berman Endorse NAFTA
* In a statement released yesterday, Rep. Howard Berman (D-CA) endorsed NAFTA, stating: "In the end, I conclude that passing NAFTA is in the best interest of advancing my own intense commitment to creating new, high-wage manufacturing jobs in Southern California." Berman, who before entering Congress was a union labor lawyer, noted that manufacturing jobs "have been the engine of upward mobility for hundreds of millions of hard-working Americans," concluding, "I am convinced that NAFTA is the route to restoring manufacturing jobs."

* Rep. Anthony Beilenson (D-CA), in an interview Tuesday with the Los Angeles Times, also came out in support of NAFTA. "What we're talking about here is reducing trade barriers, almost all of which have been erected in Mexico," Beilenson said. "It's clear that we're going to be able to sell even more to them."

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President Clinton Accelerates NAFTA Push

* Responding to a question on the NAFTA at a town meeting in Sacramento, California last night, President Clinton said that he supported NAFTA because it would creates jobs on both sides of the border, which "will dramatically reduce the the pressure felt by Mexican working people to come here for jobs." On his return from California, President Clinton this week continues to increase the pace in his efforts to gain Congressional approval of NAFTA. Following up on his meeting with a bipartisan group of lawmakers on Friday, the President will meet with other groups of undecided members on Wednesday and Thursday. Also on Thursday, the President will participate in a conference call with the nation's governors to discuss the importance of NAFTA to the states.

* The Vice President will be busy with NAFTA events this week as well, holding state leadership days on Tuesday, Wednesday and Thursday at the White House. On Tuesday, the Vice President, Secretary Bentsen, USTR Kantor, EPA Administrator Browner and William Daley will meet with the Massachusetts Congressional delegation and Massachusetts business leaders. On Wednesday, the
Vice President will meet with the North Carolina delegation; and on Thursday, the focus will be on New Jersey, and how it will benefit from increased trade with NAFTA.

Rep. Matsui Calls on Perot to Divest Alliance or End NAFTA Opposition

* In a letter sent last Friday, Rep. Robert Matsui (D-CA) called on Ross Perot to "immediately divest yourself of your interest in Alliance Corridor Inc. or that you immediately relinquish your leadership of United We Stand America's (UWSA) campaign against the North American Free Trade Agreement."

"Given your financial interest in Alliance, which advertises itself as the beneficiary of NAFTA, your strong opposition to the agreement is both deceptive and self serving," the letter concluded. "This situation should not continue because it allows you to benefit, both in fame and finance, should NAFTA win or lose."
* "While Ross Perot has been arguing that the North American Free Trade Agreement would hurt the United States," read the lead in an October 1st Business Section article in the Washington Post, "one of his own business ventures shows how it could help." The article described the differences between Ross Perot's public rhetoric and his family's private business dealings. The Post article also noted that one of the companies that has already decided to move into the Perot's project, "plans to use it as a distribution center for electric lighting components manufactured at its plant in Mexico."

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President Clinton Makes Case for NAFTA at AFL-CIO Meeting

* President Clinton took his case in support of NAFTA to an audience that vigorously opposes it. In a speech before the annual meeting of the AFL-CIO in San Francisco, the President said that the "real issue" with NAFTA is whether it will make the present job situation in America better or worse. "You think it will make it worse. I think it will make it better," the President stated. "Is it the perfect agreement? No. But I don't want to make the perfect the enemy of the better. I think it is better than the present."

The President stressed that NAFTA would raise labor and environmental standards in Mexico and open the closed Mexican market to U.S. automobile exports along with many other U.S. manufactured goods. He noted that the U.S. in the last five years has seen a $5.7 billion trade deficit become a $5.6 billion surplus. President Clinton also stressed that if the U.S. turns away from NAFTA we would lose out to Germany and Japan, who are poised to take advantage of the growth of the Mexican economy. Finally, the President asserted that by turning away from NAFTA, we would lose the opportunity to build on the agreement with the rest of Latin America, opening up rich markets to which billions of dollars of American-made products could be sold.

After setting out his case in support of NAFTA, the President said, "I don't ask you to agree, but I ask you to make
the same arguments inside your own mind, because I would never knowingly do anything to cost America jobs. I'm trying to create jobs in this country."

Before closing, President Clinton gave his own view on the roots of the opposition to NAFTA. "What I really believe is that this has become the symbol of the legitimate grievances of the American working people about the way they've been worked over the last 12 years," the President concluded. "And I think those grievances are legitimate. And I think that people are so insecure in their jobs, they're so uncertain that the people they work for really care about them, they're so uncertain about what their kids are looking at in the future, that people are reluctant to take any risks for change."
NAFTA Fact

* Mexico announced Sunday that the minimum wage in 1994 would be increased by the rate of inflation and the rate in increase in productivity. Mexico's Secretary of Labor Arsenio Farell Cubillas said the increase next year would fall between 7 percent and 10.8 percent (New York Times, 10/04/93).

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President Continues NAFTA Push In California

* President Clinton continued to take his argument that NAFTA will create high-wage American jobs to the people of California following his speech to the AFL-CIO convention on Monday. In remarks to California citizens, political leaders and business leaders the President stressed his belief that NAFTA will help to reverse the course that the American economy took over the last twelve years. "The objections to NAFTA," the President stated, "are basically objections to the system that has existed for the last 12 years, of being able to go down just across the border, set up a plant, have lower wages, lower environmental costs, and export back into America with no tariffs."

"The question the American people should be asking," the President concluded, "is if we adopt this trade agreement, will it make it better or worse? It will plainly make it better."

New England Kicks Off Series of Leadership Briefings

* The Vice President, Treasury Secretary Lloyd Bentsen, USTR Mickey Kantor, EPA Administrator Carol Browner, and NAFTA Coordinator William Daley held the first in a series of briefings yesterday for business and community leaders from New England. Tomorrow and Thursday, similar briefings will be held for North Carolina and New Jersey leaders.

Commerce Study Sees $2 Billion Increase In Auto Trade with NAFTA

* Following up on the President's argument that NAFTA will
create more and better U.S. jobs, the Commerce Department yesterday released a study which foresees a $2 billion increase in U.S. automobile exports to Mexico under NAFTA. "NAFTA automotive provisions," the study states, "provide the opportunity for increased U.S. exports of approximately $2 billion in 1994, with increasing potential over the 10-year transition period."

* Announcing the study, Commerce Secretary Ron Brown said that NAFTA "is a big plus to the automotive industry -- it means exports and it means jobs." The study found that the American automobile industry is one of America's biggest winners under the NAFTA. By removing Mexican laws requiring that U.S. automakers build in Mexico most of what they sell in Mexico, U.S. automakers will be able to export American-made cars for sale to Mexican consumers.
NAFTA Fact

* The Big Three automakers expect that 15,000 American jobs will be supported by increased U.S. automotive exports to Mexico in the first year of NAFTA alone.

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Senator Dodd Endorses NAFTA

* In a speech on the Senate floor, Senator Christopher Dodd (D-CT) endorsed NAFTA, stating: "I have concluded that the debate comes down to one between the future and the past. The North American Free Trade Agreement represents the future, and by adopting it Americans can demonstrate their willingness to meet squarely the challenges ahead." Sen. Dodd outlined three arguments supporting NAFTA: It will create jobs in the U.S.; it is the first step to creating a powerful hemispheric trading bloc; it could help to lead Latin American and Caribbean nations "further down the path of democracy and prosperity." Stressing his sympathy to the concerns of NAFTA's opponents, Dodd said, "I suggest that the anxiety felt by American workers is real but that the translation of this anxiety into opposition to this trade agreement is mistaken."

Senator Bradley Makes Major Speech on NAFTA, Changes in World

* In a major address focusing on the transformations in the world economy which are battering working people, Senator Bill Bradley (D-NJ) said that "absolute priority" must be given to approving NAFTA. "I cannot help but see NAFTA as the test case of whether we hold on and lose, or transform and win," Bradley stated. "To defeat NAFTA will solve none of the problems generated by the four transformations. To pass NAFTA will improve the chances for more jobs in America and a stronger economy to deal with the real threats to American jobs coming from Europe, Japan, and China. To defeat NAFTA will darken the chances for GATT, and the defeat of both will deny America its
major source of job creation during the next few years. Ultimately, if world trade expands, everyone can win. To pass NAFTA is to take the challenge head on."

Vice President, Administration Leaders Brief NJ Leaders

* In the last of this week's briefings on NAFTA for state leaders, the Vice President, Secretary Bentsen, NEC Director Bob Rubin, and Deputy NAFTA Coordinator Kurt Campbell spoke to New Jersey business and community leaders. "I do appreciate being given the opportunity to take part in the dialogue about NAFTA," Elenora Watson, Executive Director of the Urban League of Hudson County said following the briefing. "The people I represent are very concerned about job losses. ...Though I still have concerns, the dialogue that occurred today moves me toward supporting the agreement -- I am leaning toward supporting it."
Progressive Policy Institute Report Finds NAFTA in National Interest

* The Progressive Policy Institute yesterday released a report concluding: "Approval of [NAFTA] would deal a resounding blow to economic defeatists in America, create opportunity for American workers, and set America on the road to regaining its economic self confidence." For copies call the Institute at: (202) 547-0001
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The White House

NAFTA Notes

Tuesday, October 12, 1993

Attorney General Reno Sees NAFTA Benefits in Creating Jobs, Stopping Drugs and Illegal Immigration from Mexico

* In a speech before a group of university students in San Diego last week, Attorney General Janet Reno called the Free Trade Agreement with Mexico "our best hope for reducing illegal immigration over the long haul." In her remarks, the Attorney General touched on three areas that concern Californians, as well as all Americans: Illegal immigration, illegal drugs, and job creation by embracing economic change.

* "I am here to tell you that the passage of the North American Free Trade Agreement will help protect our borders," Reno told the students. "If NAFTA passes, my job guarding the border will be easier. If NAFTA fails, my job stopping the flow of illegal immigrants will be much more difficult." Speaking frankly, Reno called illegal immigrants "brave people" who "take tremendous risks. Illegal immigrants don't make their perilous journeys so that they can stand in one of our welfare lines, or be treated in some emergency room," Reno said. "No, illegal immigrants come to America for jobs. It's that simple." Reno called jobs the "bottom line" for reducing illegal immigration: "We will not reduce the flow of illegal immigrants until these immigrants find decent jobs, at decent wages, in Mexico. Our best chance to reduce illegal immigration is sustained, robust Mexican economic growth. NAFTA will create jobs in Mexico --jobs for Mexican workers who might otherwise cross illegally into America."
Reno also addressed the problem of illegal drugs from Mexico. She asserted that NAFTA would "cement" close ties and cooperation between the U.S. and Mexico on illegal drugs. "With NAFTA in place," Reno said, "I can work more effectively with my Mexican counterparts to ensure tough, honest enforcement of our anti-drug laws. Cooperation with Mexico is good for American law enforcement; it will help us do our jobs. That is why we need NAFTA."
President Places NAFTA in Larger Vision in Speech at UNC

Setting out his vision of an America where its citizens have economic, personal and health security, President Clinton told an audience last evening at the University of North Carolina that the North American Free Trade Agreement is essential to make change work for our country.

"At a time when we know it's a matter of fact that every rich country in the world gains many new jobs through expanding trade, I see people saying, 'Well even though my industry will get more jobs, we shouldn't have a new trade agreement with Canada and Mexico which could one day engulf all of Latin America,'" the President said. "And when I listen to the arguments, I hear instead the grievances of the 1980's. The grievances of times when workers were fired without thought, when investments were not made, when people were abused. Instead of a reasoning argument about what will build America tomorrow, I hear a longing for yesterday.

"But I tell you my friends," the President concluded, "as certainly as it was true 200 years ago today, yesterday is yesterday. If we try to recapture it, we will only lose tomorrow."

President Praises Eminent Americans Joining Together to Support NAFTA

* Former Presidents Ford, Carter and Bush yesterday
announced that they are "convening a small group of eminent persons to help Americans understand the true issues at stake in NAFTA." The Presidents stated their belief "that NAFTA represents a significant and positive step forward for the United States, for our relations with our neighbors, and for the world." They noted that the Administration's position on NAFTA would create the world's largest market, protect the environment, and provide assistance to those who will face change as a result of increased competition. "As Americans, we have nothing to fear from more competition and much to gain," they concluded. "America's future is best secured not when we retreat, but when we compete."
* Joining the Presidents supporting NAFTA include such notable Americans as: James Baker, Zbigniew Brzezinski, Lawrence Eagleburger, William Gates, Alexander Haig, Carla Hills, Lee Iacocca, Barbara Jordan, Jeanne Kirkpatrick, Henry Kissenger, Juanita Kreps, Sol Linowitz, Lynn Martin, Robert Mosbacher, Edmund Muskie, Tip O'Neill, Michael Porter, George Schultz, Robert Strauss, Cyrus Vance, Paul Volker, Eddie Williams, and Andrew Young. President Clinton praised the group, stating: "These individuals have taken many paths to prominence, but they have come to the common conclusion that this trade pact is good for America and good for America's economic fortunes."

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Finally, acknowledging that California has seen difficult
times, Reno said she understood the temptation to pull back from
economic change; however, she concluded, "I do not believe that
this is the course Californians will choose." Recalling the
spirit that drew Californians to their state in the first place,
Reno stated: "California was built by people who were willing to
change. The men and women who made California up-rooted
themselves from homes, families and friends to move here. They
embraced new technologies and industries -- from motion pictures
to aerospace to computers to high technology. Californians have
eagerly competed against all comers, from both at home and
abroad. And the people of California have won this competition,
creating one of the world's great economies." In this uncertain
time, Reno stated, Californians must decide; however, the "facts
leave no doubt: NAFTA will create jobs".

Wednesday, October 14, 1993

Reps. Baesler, Pryce Back NAFTA After Meeting with President

* After a meeting with the President at the White House with a group of their Congressional colleagues, Representatives Scotty Baesler (D-KY), and Deborah Pryce (R-OH) came out in support of NAFTA. "Americans have always exhibited a willingness to face competition anywhere it is found around the globe," Rep. Baesler said. "A retreat from NAFTA is to retreat from the American experience."

* "I am pretty committed now," Rep. Pryce told reporters after the meeting. "There is now a comfort level for me to do the right thing" on NAFTA, Pryce said.

* The President will meet again today with another group of lawmakers to continue his personal efforts to build support for Congressional approval of NAFTA.

VP, Cabinet Discuss NAFTA with VA, MD Business & Community Leaders

* Continuing the successful state leadership days, the Vice President, OMB Director Leon Panetta, EPA Administrator Carol Browner, and NAFTA Coordinator William Daley, met yesterday with over 100 business, environmental and community leaders from Virginia and Georgia to discuss job creation and other benefits of NAFTA in their states. Georgia and Alabama leaders arrive today to continue the state-by-state dialogue.

Energy Secretary O'Leary Announces Report on Oil Industry Benefits Under NAFTA
* In a speech in Oklahoma City yesterday, Energy Secretary Hazel O’Leary announced a Commerce Department report which found that the Oil and Gas Equipment sector will benefit greatly from the approval of NAFTA. Tariffs on over 80 percent of such equipment will be eliminated within 5 years, with the rest phased-out within 10 years. The Mexican market for oil and gas machinery was $1.5 billion in 1992, and is expected to grow by 15 percent annually through 1994. NAFTA will also open up procurement by Mexican state-owned energy companies such as PEMEX and CFE, which have a combined budget of over $8 billion. The Petroleum Manufacturers and Suppliers Association estimates that exports of its members products will triple under NAFTA, creating up to 3,000 new jobs.
NAFTA Fact

* An Atlanta-based Environmental Technology company, Law Environmental, announced Tuesday that it had won a contract to design and build a wastewater treatment plant in central Mexico. The company recently entered into a joint venture with a Mexican company to service the growing environmental cleanup and technology market in Mexico -- a $1.1 billion market in 1992.

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Baltimore Union Workers Endorse NAFTA During Pena Visit

* Steelworkers Local 15338 at Ellicott Machine Corp. in Baltimore yesterday endorsed NAFTA during a visit by Transportation Secretary Federico Pena. Pena toured the company with Maryland Governor Donald Schaefer and other Maryland state leaders. Ellicott Machine exports some 80 percent of its products overseas.

Bentsen, Former Perotistas Join to Announce Texas Business for NAFTA

* Today in Dallas, Treasury Secretary Lloyd Bentsen and a group of Ross Perot's former supporters joined with other prominent Texans to announce a group called Texas Business for NAFTA. The group is being headed by former Perot campaign chairman and lawyer Tom Luce who wrote an op-ed in the Dallas Morning News on Wednesday. Luce wrote that "I think Ross is wrong about the [NAFTA]. I strongly believe that it is good for our state and our nation." Luce cited Texas Comptroller John Sharp's estimate that 113,000 jobs will be created in Texas with NAFTA's passage, and said that nation-wide "we will gain twice as many jobs as we will lose." He called on Texans to "display the courage to do what's right" and support NAFTA.

Georgia, Alabama, Administration Leaders Discuss NAFTA at White House

* Nearly one hundred business, community and environmental leaders from Georgia and Alabama came to the White House yesterday to talk NAFTA with the Vice President, CEA Chair Tyson,
Interior Secretary Babbitt, and NAFTA Coordinator Daley.

* Many representatives of small manufacturing companies attended the meeting. "I am here to give my full support to NAFTA," Robert Lukat VP and General Manager of employee-owned Atlanta Saw Company told reporters. "I can tell you personally the benefits of getting into the export business. Our business with Mexico has increased four times over the last several years, and our exports to Mexico have increased over six times. ... in 1975, our company established a joint-venture with a company in Mexico. We just notified our partner that upon the signing of NAFTA, we will dissolve our joint-venture and change our relationship to strictly a distributorship, and we will move the manufacturing jobs that were part of our joint-venture back home to the U.S."
Administration NAFTA Update

* President Clinton met yesterday with another group of lawmakers to discuss the job creation benefits of NAFTA, his second meeting this week... The Cabinet fan out continued: along with Pena in Baltimore yesterday, Energy Secretary O'Leary spoke in Oklahoma, CEA Chair Tyson spoke in Atlanta and Commerce Secretary Brown visited San Francisco & Los Angeles on Wednesday, Deputy Agriculture Secretary Rominger is in Wichita today, and Treasury Secretary Bentsen travelled to Texas Thursday and today.

# # #
President Argues for NAFTA in Radio Address

* In his weekly Saturday radio address, President Clinton took his case in support of NAFTA directly to the American people, telling them that the pact will create new American jobs, and help keep existing jobs in the U.S. "Under NAFTA more jobs will stay at home here in America, and more American exports will head to Mexico," the President told the nation. "NAFTA means exports and exports mean jobs."

* "With NAFTA," the President argued, "our products will have easier access to Canada and the second fastest growing market in the entire world: Latin America. Without NAFTA, one of our best markets, Mexico, could turn to Japan and Europe to make a sweetheart deal for trade. With NAFTA, we'll be creating the biggest trading block in the world right at our doorstep and led by the United States. Without NAFTA, Mexico could well become an export platform allowing more products from Japan and Europe into America."

* The President reiterated that NAFTA is supported by every living former President, most of the nation's governors, and leaders in both parties, "And yet, I know many Americans are worried about the agreement," the President said. The President addressed many of American's fears about NAFTA and concluded: "I believe with all my heart the fears stirred up over NAFTA flow from the pounding the middle class took over the past decade and a half, not from NAFTA itself. But I have to tell you, as your President, I could not be for this trade agreement unless I believed strongly that we needed it to ensure the economic security of our hard-working middle class families."
NAFTA Jobs and Products Day

* This Wednesday morning, the President will join members of Congress on the South Lawn of the White House to review many of American-made products which make up America's $5.6 billion trade surplus with Mexico. Hundreds of products from nearly 200 companies will be displayed by the workers who produce them.
USTR Kantor, Mayor of San Diego Advocate NAFTA on Brinkley Show

* Discussing NAFTA on ABC's This Week with David Brinkley, USTR Mickey Kantor and San Diego Mayor Susan Golding promoted the agreement's job-creating benefits, especially for the U.S. automobile industry. Responding to Flint Mayor Woodrow Stanley who stated "I just don't think the case has been made" for NAFTA, Golding said: "The president of Chrysler has said very clearly that if NAFTA had existed, he would not have had to produce his new car, Neon, in Mexico. The reason he is in Mexico is because he cannot sell to Mexico unless he produces in Mexico. When NAFTA passes, he can produce in the United States and sell to Mexico."

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White House Gears Up for NAFTA Jobs and Products Day

* The White House is continuing to gear up for NAFTA Jobs and Products Day tomorrow. The President will be joined in reviewing American exports to Mexico by members of Congress, members of the Cabinet, Lee Iacocca and over one thousand workers and representatives of exporting companies. Products will begin to arrive today, and will be displayed by the workers who produce them in two tents on the South Lawn. The message of this event is clear -- U.S. exports create U.S. jobs and NAFTA will boost more than 700,000 U.S. jobs dependant on trade with Mexico.

Rep. Bereuter Endorses NAFTA

* In a floor statement last Friday, Representative Doug Bereuter (R-NE) endorsed NAFTA, announcing that he will vote in favor of its passage. Rep. Bereuter stated that "the approval of NAFTA is in the overall best interest of the United States --both in the short-term and long-term; for Nebraska the case is even more overwhelmingly positive."

* Bereuter told his House colleagues that "the low-wage incentive to move jobs out of the United States already exists; therefore, approval of NAFTA would actually reduce this job-relocation incentive rather than increase it -- by eliminating Mexico’s substantial barriers to U.S. manufactured products." Bereuter also pointed out that NAFTA would eliminate Mexican laws requiring U.S. producers to build in Mexico to sell in Mexico. "Thus, it would no longer be necessary for U.S. auto makers and auto parts manufacturers to locate facilities in Mexico to tap Mexican markets; these products could be made in the U.S. by American workers and exported to Mexico."
Microsoft's Gates Calls NAFTA "Key" to Ending Software Piracy

* In an op-ed article in yesterday's Washington Post, Microsoft CEO Bill Gates endorsed NAFTA, calling it "key" to ending software piracy which costs American software manufacturers millions each year. "Software piracy costs the U.S. industry a staggering $10 billion a year in lost revenue from foregone foreign sales," Gates wrote. "These increased sales would generate more jobs at home".
* Gates wrote that Microsoft's sales "grew more than 100 percent in 1992 and nearly 200 percent in 1993 while U.S.-based employment in support of Microsoft's Latin American operations increased more than 300 percent." Gates argued that the precedent set in NAFTA for intellectual protection could be extended to the rest of South America as those countries seek to link themselves to the agreement. "In short," Gates concluded, "approval of NAFTA is vitally important to the software industry -- and the country. ...It is an opportunity we should not miss."

# # #
Senator Simon Says NAFTA Will Strengthen U.S. Economy

* Echoing President Clinton's argument at NAFTA at Jobs and Products Day that no country can create jobs without expanding trade, Senator Paul Simon (D-IL) endorsed NAFTA saying "I have come to believe that NAFTA will strengthen the nation's economy." Simon noted his vote against fast-track two years ago, but said he decided upon further reflection to endorse NAFTA. Asserting that the facts supporting NAFTA were stronger than the politics of NAFTA, Simon stated that "those of us in the Senate who believe NAFTA will be good for the United States need to provide leadership so that our colleagues in the House who are wavering know that they are not alone. Political prudence for Senators requires silence. Political leadership requires a stand."

* Simon said that in the short-term NAFTA "will create jobs in the United States and raise the standard of living of most people in both nations slightly." He disagreed with claims that NAFTA would cause U.S. plants to move. "The myth that NAFTA will result in a huge transfer of plants to Mexico is exactly that: a myth," Simon asserted. "There are economic advantages for that transfer now that will not be there after NAFTA is approved." Simon concluded that the "world's economy is moving on. We can hunker down and let it pass over us as we see our standard of living decline, or we can welcome the challenge of tomorrow and the opportunity to work with other nations as we rebuild our own. NAFTA offers us an opportunity to follow the wiser course."

* After his speech at NAFTA Jobs and Products Day, President Clinton praised Simon's stand, telling Illinois reporters "everybody knows that nobody pulls Paul Simon's chain -- he didn't do this for me or anybody else, he did it because he sat
down and thought about it and decided it was the right thing to do. I think that everybody in America who knows Paul Simon thinks that he would only do this if he thought it was the right thing to do and in the interests of the people of Illinois."
Rep. Edwards Endorses; Sees Tide Turning in Favor of NAFTA

* Speaking to reporters after meeting with the President on Tuesday, Rep. Chet Edwards (D-TX) endorsed NAFTA, saying that the debate was "a case of the politics of facts versus the politics of fear." Edwards noted that a recent study by the University of Texas found that Texas would gain six jobs for every job lost under NAFTA. "That's good news for Texans," Edwards said. "The fear that millions of American workers would be hurt by NAFTA," Edwards stated, "has been pushed by politicians more interested in their own future elections than in the future of our country."

* "There is still a tough battle ahead in Congress," Edwards concluded, "but I believe the tide is turning in favor of NAFTA."

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Japanese Trade Official Blasts NAFTA, 
Says It Would Make It Harder for Japan to Compete with U.S.

* A senior official in the Japanese Trade Ministry blasted NAFTA, saying that it would make it harder for the Japanese auto industry and other producers to compete with the U.S., the Associated Press reported. Yasuo Tanabe told the world congress of the International Chamber of Commerce in Mexico City Wednesday night that NAFTA had elements of "sneaky protectionism", making it more difficult for Japan's automakers to compete in North America.

Senator Moseley-Braun Endorses NAFTA as Good for U.S. Workers, Jobs

* Senator Carol Moseley-Braun (D-IL) yesterday endorsed NAFTA, saying the "history of opening up trade is a history of increasing economic growth. When trade barriers are removed, trade increases. When trade increases, jobs are created. It's just that simple." The world has changed, Braun said, with economies becoming more intertwined than ever before. "NAFTA is about meeting that change and facing the future," she said. Her announcement came the day after her Senate colleague Paul Simon endorsed NAFTA.

* Speaking directly to organized labor she stated: "I would not support NAFTA if I thought it was responsible for the job losses Americans have been experiencing or if it would rob our economy of new jobs. It is because, after long and careful study, I am convinced that it will help American workers, instead of hurt them, that I am supporting NAFTA." Moseley-Braun said that defeating NAFTA would only maintain that status quo, "which is not in anyone's interest, including American workers", and
would not change the fact that jobs have left the U.S. "If anything," the Senator stated, "NAFTA will encourage U.S. companies that have factories in Asia to move back to North America."
Rep. Kennedy Calls for Strong Leadership In Support of NAFTA

* Saying yesterday that "NAFTA is going to create a lot of good, high wage jobs" in Massachusetts," Rep. Joe Kennedy (D-MA) called for "strong leadership" to approve NAFTA. "When President Kennedy took the then-unpopular step of lowering trade barriers in the early 1960's," he said, "this nation experienced one of the longest runs of economic prosperity any nation had experienced in the history of the world. ...In sum," Kennedy concluded, "NAFTA means more American jobs and more jobs in Massachusetts."

Consider NAFTA a Border Control Tool - Immigration: Expansion of job opportunities in Mexico is the only long-term answer.

* "By supporting NAFTA, California will help provide the only real, sustainable way to substantially halt illegal immigration."
  - Attorney General Janet Reno in today's Los Angeles Times

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President Clinton Continues to Press NAFTA in Public Remarks

* President Clinton continued to press the importance of NAFTA in creating jobs in nearly all his public remarks last week. "The most important fight we're going to have between now and the end of the year on the change front is the fight to ratify [NAFTA]," the President told the Executive Leadership Council Thursday night. "...And so I ask you as Americans to help us in this next month convince the United States Congress that the people who are pleading with them to vote against this treaty have ...legitimate fears, legitimate hurt, legitimate worries. But they are imposing on NAFTA the accumulated resentment for the last 15 years, and it doesn't deserve to have it. If you look at the facts, it will make those problems better, not worse."

* Clinton also talked to reporters about NAFTA after meeting with Republican members of Congress on NAFTA. Telling them that he had "a hard working week", Clinton said, "I have made several congressional meetings and, of course, we had the great products fair with Mr. Iacocca. ...I've made, also, a large number of personal phone calls to Democrats this week, and I think we're making some good progress."

* Finally, the President again discussed NAFTA as part of his radio address on Saturday. Clinton told Americans that uncertainty is making it harder to make the changes that are needed. "I see evidence of that uncertainty, that insecurity, as I struggle to expand trade opportunities for our people through passing [NAFTA]," he said, "as I struggle to convince people that we should open our markets to others and force other markets open so that we can sell more of our high-tech equipment around the world".

"The KO Clinton Needs: NAFTA"
- David Nyhan, The Boston Globe, October 24, 1993

* "Take my advice," Columnist David Nyhan wrote in The Boston Globe yesterday. "Be for NAFTA ...beware any spitball artist who comes to you with
that wheezy argument that opens with 'the devil is in the details, right.' Wrong, wrong, wrong." Nyhan discussed Rep. Kennedy's and former Speaker O'Neill's endorsement of NAFTA, writing that when Kennedy endorsed, "union spokesmen went ballistic. Expanded trade to Mexico and Canada will create thousands of jobs here and a huge net employment gain. Kennedy is right [to have backed NAFTA].

* "You can find the sophisticated economic argument for NAFTA elsewhere," Nyhan concluded. "I'm giving you the political argument. Clinton needs to win the NAFTA vote because it is about the future. The opponents cling to the past. No question, NAFTA will cost us some jobs. But the evidence is compelling, if not overwhelming, that it will create more jobs than it costs in the short run. It must pass, or the rest of the world passes us by.

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Thursday, October 28, 1993

Bentsen, Browner, Rep. Torres Announce NAD Bank, Border Environment Commission

* Treasury Secretary Lloyd Bentsen and Rep. Esteban Torres (D-CA) yesterday announced the formation with Mexico of the North American Development Bank. The President, Bentsen stated, "knows that with the environmental side agreement and the new North American Development Bank to help finance environmental cleanup and community adjustment, NAFTA is an example of leadership in protecting our environment." Torres also endorsed NAFTA, and said that these improvements under NAFTA could bring additional House votes. Torres, a former UAW official and a leading member of the Congressional Hispanic Caucus, was joined in endorsing NAFTA by La Raza, the Mexican American Legal Defense and Education Fund, and the Southwest Voter Research Institute.

* Later in San Francisco, EPA Administrator Carol Browner announced the formation of the Border Environmental Cooperation Commission with Mexico which "will serve as the hub for coordinating border financing from a variety of sources, and will assist communities in project development," Browner said. "The BECC and the NADBank will work in partnership with border communities to solve environmental problems long ignored," Browner concluded, "and to make environmental protection at the border a reality."

Administration Sends Financing Proposal To Congress

* The Administration late Tuesday sent a bipartisan proposal that avoids a tax increase to offset the revenues lost by the tariff cuts under NAFTA to Congress, as required by pay-as-you-go rules. Offsets would come from savings in CCC outlays due to NAFTA, the implementation of an electronic federal tax deposit system, improved Customs collections, and a $1.50 increase in the Customs processing fee for international travelers.
Labor Secretary Reich Warns Against Defeat Of NAFTA

* Labor Secretary Robert Reich told the annual conference of the National Alliance of Business on Monday that a defeat of NAFTA could play into the hands of our economic competitors. "If we fail to take advantage of the mushrooming markets in Mexico then you can bet other nations will," Reich told the group. "They say that nature abhors a vacuum. Well you'll hear a giant sucking sound if we don't pass NAFTA -- and it will be the sound of Japan and Germany rushing in to take advantage of an opportunity that we passed up."

Arizona, Tennessee, Texas Leaders Attend NAFTA Leadership Day

* Business and community leaders from Arizona, Tennessee and Texas yesterday attended another in a series of "leadership days" to discuss the benefits of NAFTA for American jobs with the Clinton Administration. CEA Chair Laura Tyson, Commerce Secretary Ron Brown, Transportation Secretary Federico Pena and NAFTA Coordinator Bill Daley joined the Vice President in the Administration's continuing dialogue on NAFTA.

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