

that the core of the American industrial economy, the auto industry, is looking to the future with confidence and that the United States Government is going to be their partner in that successful march.

Thank you very much.

NOTE: The President spoke at 10:24 a.m. on the South Lawn at the White House. In his remarks, he referred to Robert J. Eaton, chairman and chief executive officer, Chrysler Motor Co.; Harold A. Poling, chairman and chief executive officer, Ford Motor Co.; John F. Smith, Jr., president, General Motors Co.; and Owen Bieber, president, United Auto Workers.

Remarks Announcing the National Export Strategy and an Exchange With Reporters

September 29, 1993

The President. Thank you very much, and please be seated. I want to thank, first of all, the members of the Trade Promotion Coordinating Committee, all the members of my Cabinet and administration who are here, and especially the Commerce Secretary, Ron Brown, who did such a good job in chairing this effort.

I'd also like to thank the people who are involved in our national security efforts who supported these changes, a marked change from times past. And I'd like to thank the Vice President and the people who worked on the National Performance Review for a lot of the work they did to reinforce our efforts to develop a meaningful national export strategy.

Finally, I'd like to say a special word of thanks to people who are here and people all across this country who have talked to me about this issue for the last couple of years. Everywhere I went where there were people who were trying to create the American economy of the future, someone would take me aside and talk about the problems of the export control laws, which may have been needed in a former period when the technology was different and certainly the politics of the cold war were different but were clearly undermining our ability to be competitive today.

If I might just by way of general introduction say that I don't believe a wealthy country can grow much richer in the world we're living in without expanding exports. I don't believe you can create jobs—and I'm absolutely convinced you can't change the job mix, which is something we have to do in America with so many people stuck in jobs that have had flat or declining real wages. I think we have to do that.

And I don't think it can be done unless we can increase the volume of exports in this country.

And therefore, I have wanted to have a new export strategy that would deal with a whole range of issues and that would galvanize the energy, the imagination of the American private sector, not only those who are waiting to export now and just held back by laws but those that we need to go out and cultivate, especially small and medium sized businesses that could be active in international markets—their counterparts in other countries are active—but because of the system or, if you will, the lack of the system that we have had in the past, have not been so engaged.

So I want to emphasize that the announcements we make today are designed to create jobs for Americans, to increase incomes for Americans, and to create the future economy, even as we have to give up on much of the past.

I also want to say that it's very important to see this announcement today in the context of our administration's support for the NAFTA agreement. It will also open up export opportunities, not just to Mexico but throughout all of Latin America.

I just came from the United Nations earlier this week, where I had the opportunity to host meetings with the Latin American leaders who were there. The first thing every one of them asked me about was the NAFTA agreement. And every one of them said, "Look, we want to do this, too. We want to lower our barriers to American products. We want more American products in our country." No one, even the most

vociferous opponents of NAFTA, would seriously urge that the proposition that if we have lowered trade barriers with Chile or Argentina or any other country, that will lead to massive loss of American jobs. It will clearly lead to massive gains in American jobs.

This is an important part of a strategy to build a hemispheric trading opportunity for Americans. I also would say 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. It will raise the cost of labor in Mexico. It will raise the cost of environmental protection in Mexico. It will lower the trade barriers in Mexico that are higher than American trade barriers. It will change domestic content rules in ways that will enable us to produce in America, sell in Mexico. And that country, with a low per capita income, already buys more American products per capita than any country in the world except for Canada.

So I think that is a very important point to make. This export strategy we announced today assumes that we have people to sell to, and we have to also keep that in mind. We have to keep reaching out to tear down these barriers, to integrate our economies in ways that benefits Americans.

Let me just basically outline in some greater detail the strategy that has been recommended by our counsel and that the Vice President summarized.

As we all know, the export controls in American law today no longer reflect the realities of the economic marketplace or the political realities. The cold war is over, and the technologies have changed dramatically. Therefore, today I am ordering sweeping changes in our export controls that dramatically reduce controls on telecommunications technologies and computers. These reforms will eliminate or greatly reduce controls on \$35 billion worth of high-tech products, ultimately 70 percent of all the computers. This one step alone will decontrol the export of computers, the production of which support today—today—600,000 American jobs and now more tomorrow.

Let me be clear. As I said at the United Nations earlier this week, I am more concerned about proliferation of weapons of mass destruction than I was when I became President. Every day I have this job, I become more worried about it. And we do need effective export con-

trols to fight that kind of proliferation. But streamlining unnecessary controls will make the rest of the system more responsive and efficient in combating proliferation. And we have on too many, many occasions, for too many years, not had a coordinated, effective strategy against proliferation but have had a broad-based, highly bureaucratic policy that, in effect, cut off our nose to spite our face.

We also know we have to simplify the export process. There are 19 different export-related agencies in this Government. To say that we need more effective coordination would be a dramatic understatement. The TPCC found this, as did the Vice President's National Performance Review.

We propose to begin by creating one-stop shops in four cities, consolidating all Federal export promotion services in one place. And eventually, there will be a national network of shops linked together by computer technology. We also want to have one phone number that will serve as an information clearinghouse for any exporter of any size to learn about potential export markets.

Now, let me say why I think this is so important. Most of the job growth in America is in small and medium sized companies. Now, many of those, to be sure, are supplying bigger companies; many of those are in high-tech areas where they're already attuned to exports. But many of them are basically stand-alone operations that sell to companies in America and could sell to companies overseas but don't know how to do it, think it's too much hassle, haven't really figured out the financing, the paperwork, the market-opening mechanisms.

We have not done nearly as good a job as some countries in mobilizing the energies of these countries. I have been immensely impressed, for example, at the organization in Germany of the medium and small sized companies to make them all automatically exporting. And there's no question that the effort that they have made in that country to mobilize small and medium sized companies for export is one reason they've been able to maintain by far the most open economy in Europe and the lowest unemployment rate at the same time. We must do the same thing.

The third element of this strategy is meeting the challenge of tied aid. Now, for the benefit of those here covering this event who don't know what tied aid is, it basically is a strategy

that many of our competitors have followed who say, if you want our aid you'll have to buy our products. We have worked hard to reach an agreement to limit the practice of tied aid, and we have had some success in the last few years. But unfortunately there is still way too much of it, in ways that cost Americans way too many dollars in jobs and export opportunities that we could win under any free market scenario imaginable.

Therefore, we propose to create a modest \$150 million fund within the Export-Import Bank, and with the support of Mr. Brody and others who are here today, to counter the tied aid practices of our competitors. By some estimates, our companies lose between \$400 million and \$800 million in export sales every year because of tied aid practices.

Next, we want to focus the Government to promote private sector exports. We want an advocacy network within the Government to facilitate the efforts of our companies and to reinforce the one-stop shopping. We want a commercial strategic plan in key foreign markets to coordinate the work of Federal Agencies there, something I heard about over and over again from the U.S. business community, for example, in Japan and in Korea.

We want to ensure that our embassies play a much more aggressive role in promoting our commercial interests in a uniform way around the world. Some of our embassies, to be fair, do a very good job of this. Some are not active at all. Most are somewhere in the middle. We need a uniform policy and a deliberate mission on this, and I am very pleased at the support the State Department has given to this effort.

We want to unify the budget of all export promotion-related activities in the Government through a new process coordinated by the Economic Council, OMB, and the Trade Promotion Coordinating Committee.

Finally, let me say what we have today at long last is a coordinated, targeted, aggressive export strategy. It means growth and jobs and incomes for Americans. Compared to our competitors, we have for too long had a hands-off approach to exports. We have paid for it. We now will have a hands-on partnership, driven by the market, guided by the private sector, limited where appropriate by governmental policy, but clearly tailored to help Americans compete and win in the world of today and tomorrow.

Many people when I started thought this would never happen, especially those frustrated computer companies who have labored under the burden of the past, because it required us to think and act anew. It required disparate agencies to cooperate that had never really spoken to each other about these matters. It required Congress to work with the executive branch. It required everyone in our Government to listen to our customers, in this case the American businesses who pay so much of the tax bill. But it is working. And we have laid the foundation for a future really worth having in this country. Now, you all have to go out and make this work. We intend to support it. We intend to do what needs to be done. And we believe that Government is now going to be a good partner with the private sector in making tomorrow's economy. Thank you very much.

I want to take a question or two. But before I do, since we have a lot of folks from the private sector here, I just want to say that one of the things we have really worked hard on in Government is getting all these—look at all the Cabinet and agency heads we have here—we really try to work together. I won't say it never happens, but we have got less turfing and less infighting than any Government, I think, that's been in this town in a very long time. And it's a great tribute to them, and I want to thank them publicly in the presence of those of you who have complained about the inadequacies of the approach in the past.

Secretary of Commerce Ron Brown

Q. Mr. President, are you satisfied with Secretary Brown's explanations about his relationship to Vietnam?

The President. Well, let me say he's told me that he hadn't done anything wrong, and he's done just about everything right as Commerce Secretary. I think he's done a great job, and I have no reason not to believe him.

Q. Mr. President, are you concerned that his effectiveness as Commerce Secretary in selling programs that you're pushing, like this one and NAFTA, are undermined by this grand jury investigation?

The President. Not if he hadn't done anything wrong, I'm not. Business Week complimented him in an editorial today. I was glad to see a Democrat get complimented in Business Week. *[Laughter]*

Q. *[Inaudible]*

The President. Yes. I hope it will happen a lot more as we go along.

Russia

Q. Mr. President, did the latest events in Moscow give you pause about your previous support that you've expressed for Mr. Yeltsin?

The President. No. It is a tense and difficult issue, and how to defuse what I understand to have been the circumstances around the Moscow White House was a difficult call. I don't think that any of us should be here basically armchair quarterbacking the unfolding events.

When I talked to Boris Yeltsin a few days ago, I told him very strongly that I hoped that he would be able to manage this transition in ways that really promoted democracy, respected human rights, and kept the peace. And he said that would be exactly his policy. And so far he has done that, under very, very difficult, intense circumstances. I mean, a lot of you have talked about just the difficulty of managing this and keeping up with what's going on in the countryside and the pressures and all the various interest groups. And I think so far they've done quite well.

Now, I'm going to have a meeting with Mr. Kozyrev later today, and we'll have a chance to talk about this in greater detail. But he's already made a statement that they're still committed to a peaceful transition, and I have no reason to believe he's not. And I think that the United States and the free world ought to hang in there with a person that is clearly the

most committed to democracy and market reform of all the people now operating in Russia. Until I have some reason to believe otherwise, I'm going to hang right where we are. I think we're in the right place.

Q. What are your concerns about the human rights implications of having the Parliament building there surrounded by armed troops?

The President. I think it depends on what the facts were. If there were a lot of people armed in there and he was worried about civil disorder and unrest and people being shot, I think that when you're in charge of a government, your first obligation is to try to keep the peace and keep order. So I think so far they seem to have acted with restraint but with dispatch in trying to defuse what otherwise might have become a very difficult situation.

Now, I don't have all the facts, and neither does anyone else. But nothing has happened so far that has caused me to question the commitment that was made to me by the President and to his own people.

Thank you very much.

NOTE: The President spoke at 12:45 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to Kenneth D. Brody, President, Export-Import Bank of the United States. The related Executive orders of September 30 on export controls and the Trade Promotion Coordinating Committee are listed in Appendix D at the end of this volume.

Exchange With Reporters Prior to Discussions With Foreign Minister Andrey Kozyrev of Russia

September 29, 1993

Bosnia

Q. Mr. President, is there anything the United States can now do to bring peace in Bosnia since the Bosnian Parliament has voted against the peace plan?

The President. Well, you know, this process—this goes on day by day. We're just going to have to see what happens. They want some more territory. You know, I think they're entitled to some more territory, but I don't know if they can get it. I think that the price of

passing up this peace may be very high. And I think they'll probably consider that over the next few days. But we'll just have to wait and see what happens. We haven't had time to examine what our options are.

Q. Is the only alternative more war?

The President. Well, that's up to them. All of them.

Q. Are you encouraging them then to accept this treaty, or do you think that they should go ahead with their demands for more?